Union Calendar No. 184

100TH CONGRESS 1ST SESSION

H. R. 1720

[Report No. 100-159, Parts I, II, and III]

To replace the existing AFDC program with a new Family Support Program which emphasizes work, child support, and need-based family support supplements, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives.

IN THE HOUSE OF REPRESENTATIVES

March 19, 1987

Mr. Ford of Tennessee (for himself, Mr. Rostenkowski, Mr. Foley, Mr. COELHO, Mr. GRAY of Pennsylvania, Mr. Downey of New York, Mr. PEASE, Mr. MATSUI, Mrs. KENNELLY, Mr. DONNELLY, Mr. ANDREWS, Mr. GIBBONS, Mr. RANGEL, Mr. STARK, Mr. JACOBS, Mr. GEPHARDT, Mr. GUARINI, Mr. ANTHONY, Mr. FLIPPO, Mr. DORGAN of North Dakota, Mr. COYNE, Mr. LEVIN of Michigan, Mr. MOODY, Mr. DINGELL, Mr. MILLER of California, Mr. St Germain, Mr. Leland, Mr. Waxman, Mr. Panetta, Mr. Wheat, Mr. Fauntroy, Mr. Espy, Mr. Mfume, Mr. Visclosky, Mr. Dellums, Mr. Lowry of Washington, Mr. Oberstar, Mr. Price of Illinois, Mr. RICHARDSON, Mr. ROBINSON, Mr. DYMALLY, Ms. OAKAR, Mr. RAHALL, Mr. LEWIS of Georgia, Mrs. COLLINS, Mr. BUSTAMANTE, Mr. Frank, Mr. Clay, Mr. Alexander, Mr. Dixon, Mr. Owens of New York, Mr. Kennedy, Mr. Owens of Utah, Mr. Flake, and Mr. Mineta) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition referred to the Committee on Education and Labor for consideration of such provisions of title I of the bill as fall within the jurisdiction of that committee under clause 1(g), rule X, and to the Committee on Energy and Commerce for consideration of such provisions of title IV of the bill as fall within the jurisdiction of that committee under clause 1(h), rule X

June 17, 1987

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

August 7, 1987

Reported from the Committee on Education and Labor with amendments [Omit the part struck through in brackets and insert the part printed in boldface roman]

SEPTEMBER 15, 1987

Additional sponsors: Mr. Kolter, Mr. Crockett, Mr. Gejdenson, Mr. Lehman of California, Mr. Fazio, Mr. Tallon, Mr. Bates, Mr. Lancaster, Mr. Atkins, Mr. Florio, Mr. Sikorski, Mr. Edwards of California, Mr. Sawyer, and Mr. Ackerman

SEPTEMBER 15, 1987

Reported from the Committee on Energy and Commerce with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through in bold parentheses and insert the part printed in boldface italic]

A BILL

- To replace the existing AFDC program with a new Family Support Program which emphasizes work, child support, and need-based family support supplements, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,
 - 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
 - 4 (a) SHORT TITLE. This Act may be cited as the
 - 5 "Family Welfare Reform Act of 1987".
 - 6 (b) TABLE OF CONTENTS.—Sec. 1. Short title; table of contents.

Rublic Laws: H. R Reports / 100th Congress / 154 dession (file 1)

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Sec. 2. AFDC replaced by family support program.

TITLE I—NATIONAL EDUCATION, TRAINING, AND WORK (NETWORK) PROGRAM

[Sec. 101. Establishment of network program.

See. 102. Related substantive amendments.

Sec. 103. Technical and conforming amendments.

Sec. 104. Effective date.

TITLE I—FAIR WORK OPPORTUNITIES PROGRAM

Sec. 101. Establishment of Fair Work Opportunities Program.

Sec. 102. Related substantive amendments.

Sec. 103. Technical and conforming amendments.

Sec. 104. Effective date.

TITLE II—DAY CARE, TRANSPORTATION, AND OTHER WORK-RELATED EXPENSES

See. 201. Payment of expenses by States.

See. 202. Development of new child care resources.

See. 203. Payment of other expenses.

Sec. 204. Effective date.

TITLE III—REAL WORK INCENTIVES

See. 301. Changes in earned income disregards.

See. 302. Governmental payments to be disregarded for purposes of support and maintenance of household tests.

Sec. 303. Effective date.

TITLE IV—TRANSITIONAL MEDICAID SERVICES FOR FAMILIES

See. 401. Medicaid eligibility.

Sec. 402. Extension due to collection of child or spousal support.

Sec. (402.) 403. Effective date.

TITLE V—CHILD SUPPORT ENFORCEMENT AMENDMENTS

Sec. 501. State guidelines for child support award amounts.

See. 502. Establishment of paternity.

Sec. 503. Demonstration projects to address visitation problems.

Sec. 504. Disregarding of child support payments for FSP purposes.

See. 505. Requirement of prompt State response to requests for child support assistance.

See. 506. Automated tracking and monitoring systems made mandatory.

Sec. 507. Costs of interstate enforcement demonstrations excluded in computing incentive payments.

Sec. 508. Effective date.

TITLE VI—PRO-FAMILY WELFARE POLICIES

Sec. 601. Requirement that aid be provided with respect to dependent children in two-parent families.

Sec. 602. Special provisions for families headed by minor parents.

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TITLE VII—BENEFIT IMPROVEMENTS

- Sec. 701. Periodic re-evaluations of need and payment standards.
- Sec. 702. Encouragement of States to increase FSP benefit levels.
- Sec. 703. Mandatory State FSP benefit level.

TITLE VIII-MISCELLANEOUS PROVISIONS

- Sec. 801. Coordination of family support program and food stamp policies.
- Sec. 802. Uniform reporting requirements.
- See. 803. Technical and conforming amendments relating to replacement of AFDC program by family support program.

1 SEC. 2. AFDC REPLACED BY FAMILY SUPPORT PROGRAM.

- 2 The program under part A of title IV of the Social Se-
- 3 curity Act, heretofore known as the program of aid to fami-
- 4 lies with dependent children, shall hereafter be known as the
- 5 Family Support Program, and the aid paid to needy families
- 6 with dependent children in accordance with State plans ap-
- 7 proved under part A of title IV of such Act shall hereafter be
- 8 ealled family support supplements, as more specifically pro-
- 9 vided in the amendments made by this Act.

10 **TITLE I—NATIONAL EDUCATION**,

- 11 TRAINING, AND WORK (NET
- 12 WORK) PROGRAM
- 13 [SEC. 101. ESTABLISHMENT OF NETWORK PROGRAM.
- 14 T(a) STATE PLAN REQUIREMENT.—Section 402(a)(19)
- 15 of the Social Security Act is amended to read as follows:
- 16 ["(19) provide that the State has in effect and
- operation an education, training, and work program,
- 18 approved by the Secretary and meeting all of the re-
- 19 quirements of section 416;".

- 1 (b) ESTABLISHMENT AND OPERATION OF STATE
- 2 Programs. Part A of title IV of such Act is amended by
- 3 adding at the end thereof the following new section:
- 4 ["NATIONAL EDUCATION, TRAINING, AND WORK PROGRAM
- 5 ["Sec. 416. (a) Purpose.—It is the purpose of this
- 6 section to assure that needy children and parents obtain the
- 7 education, training, and employment which will help them
- 8 avoid long-term welfare dependence.
- 9 ["(b) ESTABLISHMENT AND OPERATION OF PRO-GRAMS. (1) As a condition of its participation in the Family 10 Support Program under this part, each State shall establish 11 and operate an education, training, and work program which 12has been approved by the Secretary as meeting all of the requirements of this section, and shall make the program available in each political subdivision of the State where it is 15 feasible to do so after taking into account the number of pro-17 spective participants, the local economy, and other relevant 18 factors. The Secretary's approval shall be based on a plan setting forth and describing the program and estimating the 19 number of persons to be served, which shall be submitted by the State on or before the effective date of this section and 21which, if the State has determined that the program is not to be available in all of its political subdivisions, shall include appropriate justification for that determination.

- 1 Each State education, training, and work pro-
- 2 gram under this section shall include private sector involve-
- 3 ment in planning and program design to assure that partici-
- 4 pants are trained for jobs that will actually be available in the
- 5 community.
- 7 vises the administration of the State's plan approved under
- 8 section 402 shall be responsible for the operation and admin-
- 9 istration of the State's education, training, and work program
- 10 under this section.
- 11 Federal funds made available to a State for pur-
- 12 poses of the program under this section shall be used to aug-
- 13 ment and expand existing services and activities which pro-
- 14 mote the purpose of this section, and shall not in whole or in
- 15 part replace or supplant any State or local funds already
- 16 being expended for that purpose.
- 17 ["(e) PARTICIPATION.—(1) Each adult recipient of
- 18 family support supplements in the State who is not exempt
- 19 under paragraph (4) shall be required to participate in the
- 20 program under this section to the extent that the program is
- 21 available in the political subdivision where he or she resides
- 22 and State resources otherwise permit. The State agency shall
- 23 take such action as may be necessary to ensure that each
- 24 recipient of such supplements (including each such recipient
- 25 who is exempt under paragraph (4)) is notified and fully in-

- 1 formed concerning the education, training, and work opportu-
- 2 nities offered under the program.
- 3 L"(2) The State may require participation in the pro-
- 4 gram under this section by recipients who are not exempt
- 5 under paragraph (4) (hereinafter referred to as 'mandatory
- 6 participants'), and shall also extend the opportunity to par-
- 7 tieipate in the program to recipients who are exempt under
- 8 paragraph (4) (hereinafter referred to as 'volunteers'). The
- 9 State shall actively encourage volunteers to participate in the
- 10 program, and shall from time to time furnish to the Secretary
- 11 appropriate assurances that it is doing so.
- 12 Light 12 With the objective of making the most effective
- 13 possible use of the State's resources and identifying the fami-
- 14 lies which most urgently need the services and activities pro-
- 15 vided under the program under this section, the program
- 16 shall designate specific target populations including—
- 17 <u>L"(A)</u> families with teenage parents, and families
- 18 with parents who were under 18 years of age when
- 19 their first child was born;
- 20 ["(B) families that have been receiving aid to
- 21 families with dependent children or family support sup-
- 22 plements continuously for two or more years; and
- 23 **L**"(C) families with children under 6 years of age.
- 24 For purposes of subparagraph (B), a family that has received
- 25 aid to families with dependent children or family support sup-

1	plements for at least 20 months out of any period of 24 con-
2	secutive months shall be treated as having received such aid
3	or supplements continuously during that period.
4	["(4) The following are exempt from participation in
5	the program under this section:
6	["(A) an individual who is ill, incapacitated, or
7	60 years of age or over;
8	["(B) an individual who is needed in the home
9	because of the illness or incapacity of another family
10	member;
11	["(C) the parent or other relative of a child
12	under 6 years of age (subject to the last sentence of
13	this paragraph); except that—
14	["(i) the State at its option may require par-
15	ticipation in the program (and waive the exemp-
16	tion provided by this subparagraph) in the ease of
17	parents and relatives of children who have at-
18	tained the age of 3 but not the age of 6, and
19	["(ii) the State shall permit and encourage
20	such participation (and waive such exemption) in
21	the ease of parents and relatives of children who
22	have not attained 3 years of age,
23	but (in either ease) only in eases where day eare is
24	guaranteed to the parent or relative involved and such

parent's or relative's participation in the program is on

a part-time basis, and

L"(iii) the Secretary may permit the State at its option to require participation in the program (and waive such exemption) in the ease of parents and relatives of children who have not attained 3 years of age if (I) the State demonstrates to the satisfaction of the Secretary that appropriate infant care for such children can be guaranteed within the applicable dollar limitations set forth in section 402(g), and (II) such parent's or relative's participation will be on a part-time basis;

L"(D) an individual who is working 20 or more hours a week;

["(E) a woman who is pregnant; and

L"(F) an individual who resides in an area of the
17 State where the program is not available.

In the case of a two-parent family, the exemption under subparagraph (C) shall apply only to one parent or relative; but
the State may at its option make such exemption inapplicable
in any such case to both of the parents or relatives involved
(and require their participation in the program, at least one of
them on a full-time basis) if appropriate child care is guaranteed in accordance with the applicable provisions of such subparagraph.

2 attending (in good standing) a school or a course of vocation3 al or technical training designed to lead to employment at the
4 time he or she would otherwise commence participation in
5 the program under this section, such attendance may consti6 tute satisfactory participation in the program so long as it
7 continues; and the family's employability plan shall so indi8 cate (but the costs of such school or training shall not be paid
9 under the program or constitute federally reimbursable ex10 penses for purposes of section 403).

C"(d) PRIORITIES.—To the extent that the State's resources do not permit the inclusion in the program of all mandatory participants and volunteers, the selection of the families to whom services are to be provided under the program under this section shall be made (subject to subsection (l)(2)) in accordance with the following priorities:

L"(1) First priority shall be given to volunteers, and mandatory participants, who are described in subparagraphs (A), (B), and (C) of paragraph (3) (in such proportions of volunteers and mandatory participants as the State may determine).

E"(2) Second priority shall be given to mandatory participants in families (not described in paragraph (1)) with older children.

- 3 **L**(4) Fourth priority shall be given to all other
 4 mandatory participants.
- 5 For purposes of paragraph (2), a family 'with older children'
- 6 is a family in which the youngest child is within two years of
- 7 being ineligible for family support supplements because of his
- 8 or her age.
- L"(e) ORIENTATION.—The State agency shall provide 9 each applicant for family support supplements with orienta-10 tion to the network program, including full information about 11 the opportunities offered by the program and the obligations 12of participants in the program (and including a description of 13 day care services). Such orientation shall also be available at any time to recipients of family support supplements who did 15 16 not receive orientation under this subsection at the time of 17 their initial application for such supplements or who need 18 additional information about the program.
- State agency shall make an initial assessment of the educational needs, skills, and employability of each participant in
 the program under this section, including a review of the
 family circumstances and of the needs of the children as well
 as those of the adult caretaker, and on the basis of such assessment shall develop an employability plan for the family of

- 1 which the participant is a member. To the maximum extent
- 2 possible, the employability plan shall reflect the preferences
- 3 of the family member involved.
- ["(g) CONTRACT AND CASE MANAGEMENT.—(1) Fol-4 lowing the initial assessment and the development of the employability plan with respect to any participant in the program under this section, the participant (or the adult caretaker in the family of which the participant is a member) shall negotiate and enter into a contract with the State agency 9 including a commitment by the participant (or caretaker) to participate in the program in accordance with the employability plan, specifying the duration of such participation, and detailing the activities which the State will conduct and the 13 services which the State will provide in the course of such participation. The participant (or caretaker) shall be given such assistance as he or she may require in reviewing and understanding the contract, and shall be granted an opportunity for a fair hearing before the State agency in the event of a dispute involving the signing of the contract or the nature 20 or extent of his or her participation in the program as specified therein. 21
- 22 L"(2) The State agency shall assign to each participat-23 ing family a member of the agency staff to provide ease man-24 agement services to the family; and the ease manager so as-25 signed shall be responsible for obtaining or brokering, on

1	behalf of the family, any other services which may be needed
2	to assure the family's effective participation.
3	L"(h) RANGE OF SERVICES AND ACTIVITIES.—(1) In
4	carrying out the program under this section, each State must
5	make available a broad range of services and activities calcu-
6	lated to aid in earrying out the purpose of this section, specif-
7	ically including (subject to the last sentence of this
8	paragraph)
9	["(A) high school or equivalent education (com-
10	bined with training when appropriate) designed specifi-
11	eally for participants who do not have a high school
12	diploma, except in the ease of a participant who dem-
13	onstrates a basic literacy level and whose employability
14	plan identifies a long-term employment goal that does
15	not require a high school diploma;
16	L"(B) remedial education to achieve a basic liter-
17	acy level, instruction in English as a second language,
18	and specialized advanced education in appropriate
19	cases;
20	L"(C) group and individual job search as de-
21	seribed in subsection (k);
22	L"(D) on-the-job training;
23	L"(E) skills training;
24	L"(F) work supplementation programs as provid-
25	ed in subsection (i);

1	["(G) community work experience programs as
2	provided in subsection (j);
3	["(H) job readiness activities to help prepare par-
4	ticipants for work;
5	["(I) counseling, information, and referral for
6	participants experiencing personal and family problems
7	which may be affecting their ability to work;
8	L"(J) job development, job placement, and
9	follow-up services to assist participants in securing and
10	retaining employment and advancement as needed; and
11	["(K) other education and training activities as
12	determined by the State and allowed by regulations of
13	the Secretary.
14	The State must in any event make available the services and
15	activities described in subparagraphs (A), (B), (C), (H), (D,
16	and (J) along with the services and activities described in at
17	least two of the remaining subparagraphs.
18	["(2) Children in participating families shall be encour-
19	aged to take part in any of the education or training pro-
20	grams available under the program; and the State must also
21	provide to such children additional services specifically de-
22	signed to help them stay in school (including financial incen-
23	tives as appropriate), complete their high school education,
24	and obtain marketable job skills (including services provided
25	under a demonstration program conducted pursuant to sec-

- 1 tion 1115(d)). Training activities in which such children par-
- 2 ticipate may not, however, be permitted to interfere with
- 3 their school attendance.
- 4 L"(3)(A) Each work assignment of a participant under
- 5 the program shall be consistent with the physical capacity,
- 6 skills, experience, health, family responsibilities, and place of
- 7 residence of such participant.
- 9 the program, the State shall assure that—
- 10 L''(i) appropriate standards for health, safety, and
- other conditions are applicable to the performance of
- work in such job;
- 13 L''(ii) the conditions of work in such job are rea-
- sonable, taking into account the geographic region, the
- 15 residence of the participant, and the proficiency of the
- 16 participant; and
- 17 L"(iii) the participant will not be required, with-
- out his or her consent, to travel an unreasonable dis-
- 19 tance from his or her home or remain away from such
- 20 home overnight.
- 21 L"(4)(A) No work assignment under the program shall
- 22 result in the displacement of any currently employed worker
- 23 or position (including partial displacement such as a reduction
- 24 in the hours of nonovertime work, wages, or employment
- 25 benefits), or result in the impairment of existing contracts for

- 1 services or collective bargaining agreements. No participant
- 2 shall be employed to fill a job opening when (i) any individual
- 3 is on layoff from the same or any substantially equivalent job,
- 4 or (ii) the employer has terminated the employment of any
- 5 regular employee in the same or any substantially equivalent
- 6 job.
- 7 L"(B)(i) Whenever any employee of a business or other 8 entity employing participants under this section, or any labor
- 9 organization representing employees of such an entity, sub-
- 10 mits to the Secretary a complaint alleging that subparagraph
- 11 (A) has been violated, a copy of such complaint shall be
- 12 transmitted at the same time to such entity. An opportunity
- 13 shall be afforded to such entity to review the complaint and
- 14 to submit a reply to the Secretary within 15 days after re-
- 15 eciving the copy of such complaint.
- 16 L"(ii) An official who shall be designated by the Secre-
- 17 tary shall review any complaint submitted in accordance with
- 18 clause (i), and conduct such investigation as may be neces-
- 19 sary, to ascertain the accuracy of the information set forth or
- 20 alleged and to determine whether there is substantial evi-
- 21 dence that the affected activities fail to comply with subpara-
- 22 graph (A). Such official shall report his findings and recom-
- 23 mendations to the Secretary within 60 days after commenc-
- 24 ing the review and investigation.

- 1 L''(iii) The Secretary, within 45 days after receiving
- 2 the report under clause (ii) and after considering legitimate
- 3 bases for layoffs or terminations of employees not subsidized
- 4 under this section within the same employing entity, shall
- 5 issue a final determination as to whether a violation of sub-
- 6 paragraph (A) has occurred.
- 7 ["(iv) The Secretary shall institute proceedings to
- 8 compel the repayment of any funds determined to have been
- 9 expended in violation of subparagraph (A).
- 11 signed shall be at least equal to the applicable minimum
- 12 wage; and appropriate worker's compensation and tort claims
- 13 protection shall be provided to all participants on the same
- 14 basis as such compensation and protection are provided to
- 15 other employed individuals in the State.
- 16 The State may not require a participant in the
- 17 program to accept a job under the program (as work supple-
- 18 mentation or otherwise) if accepting the job would result in a
- 19 net loss of income (including the insurance value of any
- 20 health benefits) to the participant or his or her family.
- 21 Program activities under this section shall be co-
- 22 ordinated in each State with programs operated under the
- 23 Job Training Partnership Act and with any other relevant
- 24 employment, training, and education programs available in
- 25 the State. Each State shall be encouraged to establish an

- 1 advisory committee (including educators, representatives of
- 2 the business community, and others) to provide advice and
- 3 counsel with respect to the operation of the program, and to
- 4 coordinate the activities of such committee with similar ac-
- 5 tivities under the Job Training Partnership Act.
- 6 ["(8) In earrying out the program under this section,
- 7 the State may enter into appropriate contracts and other ar-
- 8 rangements with public and private agencies and organiza-
- 9 tions for the provision or conduct of any services or activities
- 10 made available under the program.
- 11 T"(i) WORK SUPPLEMENTATION PROGRAM. (1) Any
- 12 State may institute a work supplementation program under
- 13 which such State, to the extent it considers appropriate, may
- 14 reserve the sums which would otherwise be payable to par-
- 15 ticipants in the program under this section as family support
- 16 supplements under the State plan approved under this part
- 17 and use such sums instead for the purpose of providing and
- 18 subsidizing jobs for such participants (as described in para-
- 19 graph (3)(C)(i) and (ii)), as an alternative to the supplements
- 20 which would otherwise be so payable to them under such
- 21 plan.
- 22 ["(2)(A) Notwithstanding the provisions of section 406
- 23 or any other provision of law, Federal funds may be paid to a
- 24 State under this part, subject to the provisions of this section,

- 1 with respect to expenditures incurred in operating a work
- 2 supplementation program under this subsection.
- 3 L"(B) Nothing in this part, or in any State plan ap-
- 4 proved under this part, shall be construed to prevent a State
- 5 from operating (on such terms and conditions and in such
- 6 eases as the State may find to be necessary or appropriate) a
- 7 work supplementation program in accordance with this sub-
- 8 section.
- 9 \(\Gamma^{\cupage}(C)\) Notwithstanding section 402(a)(23) or any other
- 10 provision of law, a State may adjust the levels of the stand-
- 11 ards of need under the State plan as the State determines to
- 12 be necessary and appropriate for earrying out a work supple-
- 13 mentation program under this subsection.
- 14 ["(D) Notwithstanding section 402(a)(1) or any other
- 15 provision of law, a State operating a work supplementation
- 16 program under this subsection may provide that the need
- 17 standards in effect in those areas of the State in which such
- 18 program is in operation may be different from the need stand-
- 19 ards in effect in the areas in which such program is not in
- 20 operation, and such State may provide that the need stand-
- 21 ards for eategories of recipients of aid may vary among such
- 22 eategories to the extent the State determines to be appropri-
- 23 ate on the basis of ability to participate in the work supple-
- 24 mentation program.

1 State may make such further adjustments in the amounts of
3 the family support supplements paid under the plan to differ4 ent eategories of recipients (as determined under subpara5 graph (D)) in order to offset increases in benefits from needs6 related programs (other than the State plan approved under
7 this part) as the State determines to be necessary and appro8 priate to further the purposes of the work supplementation
9 program.

10 L"(F) In determining the amounts to be reserved and
11 used for providing and subsidizing jobs under this subsection
12 as described in paragraph (1), the State may use a sampling
13 methodology.

L"(G) Notwithstanding section 402(a)(8) or any other provision of law, a State operating a work supplementation program under this subsection may reduce or eliminate the amount of earned income to be disregarded under the State plan as the State determines to be necessary and appropriate to further the purposes of the work supplementation program.

L"(3)(A) A work supplementation program operated by a State under this subsection shall provide that any individual who is an eligible individual (as determined under subparagraph (B)) shall take a supplemented job (as defined in subparagraph (C)) to the extent that supplemented jobs are

available under the program (subject to paragraph (2)(D)).

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- 1 Payments by the State to individuals or to employers under
- 2 the program shall be treated as expenditures incurred by the
- 3 State for family support supplements except as limited by
- 4 paragraph (4).
- 5 ["(B) For purposes of this subsection, an eligible indi-
- 6 vidual is an individual who is in a category which the State
- 7 determines should be eligible to participate in the work sup-
- 8 plementation program, and who would, at the time of his
- 9 placement in the job involved, be eligible for family support
- 10 supplements under the State plan if such State did not have a
- 11 work supplementation program in effect.
- 12 ["(C) For purposes of this section, a supplemented job
- 13 is—
- 14 ["(i) a job provided to an eligible individual by
- 15 the State or local agency administering the State plan
- 16 under this part; or
- 17 L''(ii) a job provided to an eligible individual by
- any other employer for which all or part of the wages
- 19 are paid by such State or local agency.
- 20 A State may provide or subsidize any job under the program
- 21 which such State determines to be appropriate.
- 22 L"(D) At the option of the State, individuals who hold
- 23 supplemented jobs under a State's work supplementation pro-
- 24 gram shall be exempt from the retrospective budgeting re-
- 25 quirements imposed pursuant to section 402(a)(13)(A)(ii) (and

- 1 the amount of the aid payable to the family of such individual
- for any month shall be determined on the basis of the income
- and other relevant circumstances in that month).
- L"(4) The amount of the Federal payment to a State under section 403 for expenditures incurred in making payments to individuals and employers under a work supplementation program under this subsection shall not exceed an amount equal to the amount which would otherwise be payable under such section if the family of each individual employed in the program established in such State under this subsection had received the maximum amount of family support supplements payable under the State plan to such a family with no income (without regard to adjustments under paragraph (2) of this subsection) for a period of months equal
- ["(5)(A) Nothing in this subsection shall be construed as requiring the State or local agency administering the State plan to provide employee status to an eligible individual to whom it provides a job under the work supplementation program (or with respect to whom it provides all or part of the wages paid to the individual by another entity under such program), or as requiring any State or local agency to provide that an eligible individual filling a job position provided 25 by another entity under such program be provided employee

to the lesser of (A) nine months, or (B) the number of months

in which such individual was employed in such program.

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- 1 status by such entity, during the first 13 weeks such individ-
- 2 ual fills that position.
- 3 L"(B) Wages paid under a work supplementation pro-
- 4 gram shall be considered to be carned income for purposes of
- 5 any provision of law.
- 6 ["(6) Any State which chooses to operate a work sup-
- 7 plementation program under this subsection must provide
- 8 that any individual who participates in such program, and
- 9 any child or relative of such individual (or other individual
- 10 living in the same household as such individual) who would
- 11 be eligible for family support supplements under the State
- 12 plan approved under this part if such State did not have a
- 13 work supplementation program, shall be considered individ-
- 14 uals receiving family support supplements under the State
- 15 plan approved under this part for purposes of eligibility for
- 16 medical assistance under the State plan approved under title
- 17 XIX.
- 18 ["(7) No individual receiving family support supple-
- 19 ments under the State plan shall be excused, by reason of the
- 20 fact that such State has a work supplementation program,
- 21 from any requirement of this part relating to work require-
- 22 ments, except during periods in which such individual is em-
- 23 ployed under such work supplementation program.
- 24 Community Work Experience Programs.—
- 25 (1)(A) Any State which chooses to do so may establish a

community work experience program in accordance with this subsection. The purpose of the community work experience program is to provide experience and training for individuals not otherwise able to obtain employment, in order to assist them to move into regular employment. Community work experience programs shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed under community work experience programs to move promptly into regular public or private employment. Community work experience programs shall be limited to projects which serve a useful 11public purpose in fields such as health, social service, envi-12ronmental protection, education, urban and rural develop-13 ment and redevelopment, welfare, recreation, public facilities, public safety, and day eare. To the extent possible, the prior 16 training, experience, and skills of a recipient shall be used in 17 making appropriate work experience assignments.

L"(B) A State which elects to establish a community work experience program under this subsection shall operate such program so that each participant (as determined by the State) either—

L"(i) works or undergoes training (or both) for a period not exceeding 12 months, with the maximum number of hours that any such individual may be required to work in any month being a number equal to

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the amount of the family support supplements payable with respect to the family of which such individual is a member under the State plan approved under this part, divided by the greater of the Federal or the applicable State minimum wage (and the portion of a recipient's benefit for which the State is reimbursed by a child support payment shall not be taken into account in determining the number of hours that such individual may be required to work); or

L"(ii) performs unpaid work experience or training (for not more than 30 hours a week) for a period not exceeding 3 months.

13 L''(C) Nothing contained in this subsection shall be con14 struct as authorizing the payment of family support supple15 ments under this part as compensation for work performed,
16 nor shall a participant be entitled to a salary or to any other
17 work or training expense provided under any other provision
18 of law by reason of his participation in a program under this
19 subsection.

20 L"(D) Nothing in this part or in any State plan ap21 proved under this part shall be construed to prevent a State
22 from operating (on such terms and conditions and in such
23 cases as the State may find to be necessary or appropriate) a
24 community work experience program in accordance with this
25 subsection.

["(E) Participants in community work experience programs under this subsection may, subject to subsection (h)(5), perform work in the public interest (which otherwise meets the requirements of this section) for a Federal office or agency with its consent, and, notwithstanding section 1342 of title 31, United States Code, or any other provision of law, such agency may accept such services, but such participants shall not be considered to be Federal employees for any

10 L"(F) If at the conclusion of his or her participation in a
11 community work experience program the individual has not
12 become employed, a reassessment with respect to such indi13 vidual shall be made and a new employability plan developed
14 as provided in subsection (f).

16 community work experience program operated pursuant to
17 this subsection, any program of job search under subsection
18 (k), and the other work-related activities under the program
19 established by this section so as to insure that job placement
20 will have priority over participation in the community work
21 experience program.

22 L"(3) In the ease of any State which makes expendi-23 tures in the form described in paragraph (1) under its State 24 plan approved under section 402, expenditures for the oper-25 ation and administration of the program under this section,

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purpose.

- 1 for purposes of section 403(a)(4) (and expenditures for the
- 2 proper and efficient administration of the State plan, for pur-
- 3 poses of section 403(a)(3)), may not include the cost of
- 4 making or acquiring materials or equipment in connection
- 5 with the work performed under a program referred to in
- 6 paragraph (1) or the cost of supervision of work under such
- 7 program.
- 8 ["(k) Job Search.—(1) The State agency shall estab-
- 9 lish and earry out a program of job search for applicants and
- 10 participants in the program under this section.
- **L**"(2) Participants in the program under this section 11 shall be encouraged and may be required to take part in job 12 13 search under this subsection, at such times, for such periods, and in such manner as the State agency determines (in each 14 particular case) will be most effective in serving the special needs and interests of the individual involved and in carrying out the purpose of this section. Job search by an applicant 17 may be required or provided for while his or her application is 18 being processed; and job search by a participant may be re-19 20 quired or provided for both before and after his or her initial assessment, both during and after his or her education or 21training, and at other appropriate times during his or her 22

participation in the program under this section, as may be set

24 forth in the contract between such individual and the State

1 agency under subsection (g)(1) and as otherwise provided by

2 such agency.

L⁴⁴(3) Participation by an individual in job search under 3 this subsection, without participation in one or more other services or activities offered under the program under this section, shall not be sufficient to qualify as participation in the program for any of the purposes of this section after it has continued for 8 weeks or longer without the individual obtaining a job. In any such case (after 8 weeks of job search without obtaining a job) the individual must engage in training, education, or other activities designed to improve his or her prospects for employment; and the individual's employability plan developed under subsection (f) shall so provide. 13 ["(1) Sanctions.—(1) If any mandatory participant in 14 the program under this section fails without good cause to 15 comply with any requirement imposed with respect to his or her participation in such program-

L"(A) such participant's needs shall not be taken into account in making the determination with respect to his or her family under section 402(a)(7) if such family is eligible for family support supplements under the State plan approved under section 402(a) without regard to section 407, or

plan approved under section 402(a) shall be denied to

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- 1 all members of the participant's family if such family is
- 2 eligible for such supplements by reason of section 407.
- 3 The sanction described in subparagraph (A) or (B) shall con-
- 4 tinue until the failure to comply ceases; except that such
- 5 sanction shall continue for a minimum of 3 months if the
- 6 failure to comply is the participant's second or a subsequent
- 7 such failure. In either event, when any failure to comply has
- 8 continued for 3 months the State agency shall promptly
- 9 remind the participant in writing of his or her option to end
- 10 the sanction by terminating such failure.
- 11 L"(2) If a volunteer drops out of the program under this
- 12 section after having commenced participation in such pro-
- 13 gram, he or she shall thereafter be given no priority under
- 14 subsection (d).
- 15 C"(m) REGULATIONS. Within 6 months after the date
- 16 of the enactment of this section, the Secretary shall issue
- 17 proposed regulations for the purpose of implementing and
- 18 carrying out the program under this section, including regula-
- 19 tions establishing uniform data collection requirements; and
- 20 within 12 months after such date the Secretary shall publish
- 21 final regulations for that purpose.
- 22 C"(n) PERFORMANCE STANDARDS. (1) Within one
- 23 year after the date of the enactment of this section, the Sec-
- 24 retary, in consultation with the Congress, the States and lo-
- 25 calities, educators, and other interested persons, shall devel-

1	op and publish performance standards for the program under
2	this section. Such standards shall at a minimum—
3	["(A) provide methods for rewarding States that
4	target their programs to those individuals within each
5	priority group (as described in subsection (d)) who will
6	have the most difficulty finding employment;
7	["(B) provide methods for rewarding States that
8	provide intensive services under the program, tailored
9	to the individual needs of participants and fully calcu-
10	lated to produce self-sufficiency;
11	["(C) provide methods for rewarding States that
12	place strong emphasis on participation by volunteers
13	among the priority groups described in subsection (d);
14	(D) measure the cost effectiveness of the em-
15	ployment portion of the program and the welfare sav-
16	ings that result from the program;
17	["(E) establish expectations for placement rates,
18	including the minimum rate at which participants
19	within each priority group (as described in subsection
20	(d)) are to be placed in jobs or complete their education
21	or both;
22	L"(F) give appropriate recognition to the likeli-
23	hood that unemployment and other economic factors
24	will influence the success of the employment program;
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1	L"(G) take into account such other factors as are
2	deemed important.
3	["(2) The Secretary shall develop and transmit to the
4	Congress, for appropriate legislative action, a proposal for
5	modifying the rate of the Federal payments to States under
6	section 403(a)(4) so as to reflect the relative effectiveness of
7	the various States in earrying out the program under this
8	section and achieving its purpose.
9	["(0) CONTINUING EVALUATION. The Secretary
10	shall provide for the continuing evaluation of the programs
11	established under this section by the several States, including
12	their effectiveness in achieving the purpose of this section
13	and their impact on other related programs. The Secretary
14	shall also—
15	["(1) provide for the conduct of research on ways
16	to increase the effectiveness of such programs, includ-
17	ing research on—
18	L"(A) the effectiveness of giving priority to
19	volunteers,
20	L"(B) appropriate strategies for assisting
21	two-parent families,
22	L"(C) the wage rates of individuals placed in
23	jobs as a result of such programs,
24	["(D) the approaches that are most effective
25	in meeting the needs of specific groups and types

1	of participants (such as teenage parents, older
2	parents, families including disabled persons, etc.),
3	and

5 which include children below 6 years of age; and
6 L"(2) provide technical assistance to States, lo7 calities, schools, and employers who may participate in
8 the programs and who require such assistance.

9 (p) Uniform Reporting Requirements.—The Secretary shall establish uniform reporting requirements 10 under which each State will be required periodically to furnish such information and data as the Secretary may need to ensure that the purposes and provisions of this section are being effectively earried out, including at a minimum the average monthly number of families assisted under this section, the types of such families, the amounts expended with re-17 speet to such families, and the length of time for which such families are assisted. The information and data so furnished shall be separately stated with respect to each of the services and activities enumerated in subsection (h) and with respect to each of the activities described in subsections (i), (j), and (k).". 22

- 1 **ISEC. 102. RELATED SUBSTANTIVE AMENDMENTS.**
- 2 [(a) FEDERAL MATCHING RATE.—(1) Section 403(a)
- 3 of the Social Security Act is amended by inserting after para-
- 4 graph (3) the following new paragraph:
- 5 L''(4) in the ease of any State (subject to the last
- 6 sentence of this subsection), an amount equal to 75
- 7 percent of the total amount expended during such
- 8 quarter for the operation and administration of the pro-
- 9 gram under section 416 (including the activities and
- programs described in subsections (i), (j), and (k) there-
- 11 of); and".
- 12 [(2) Section 403(a) of such Act is further amended by
- 13 adding at the end thereof the following new sentence: "Para-
- 14 graph (4) of this subsection shall apply to any State, with
- 15 respect to the expenditures described therein, only if at least
- 16 three-fifths of the non-Federal share of such expenditures is
- 17 contributed in eash; and if less than three-fifths of such share
- 18 is so contributed in any State the expenditures involved (in
- 19 that State) shall be treated as expenditures described in para-
- 20 graph (3)(C) rather than as expenditures to which paragraph
- 21 (4) applies.".
- 22 (b) DEFINITION OF DEPENDENT CHILD.—Section
- 23 406(a) of such Act is amended by striking out "or (B)" and
- 24 all that follows in and inserting in lieu thereof the following:
- 25 "(B) at the option of the State, under the age of 21 and (as
- 26 determined by the State in accordance with standards pre-

- 1 seribed by the Secretary) a student regularly attending a
- 2 school, college, or university, or regularly attending a course
- 3 of technical or vocational training designed to fit him for
- 4 gainful employment, or (C) at the option of the State, under
- 5 the age of 21 and (as determined by the State in accordance
- 6 with standards prescribed by the Secretary) a student regu-
- 7 larly attending a school in grade twelve or below or regularly
- 8 attending a course of vocational or technical training, other
- 9 than a course provided by or through a college or university,
- 10 designed to fit him for gainful employment;".
- 11 [(e) 100-Hour Rule.—Section 407 of such Act is
- 12 amended by adding at the end thereof the following new sub-
- 13 section:
- 14 The standards prescribed by the Secretary for
- 15 purposes of determining an individual's unemployment under
- 16 subsection (a) at the time of his or her application for family
- 17 support supplements under the plan may include a test which
- 18 bases such determination upon whether or not the individual
- 19 has performed a specific number of hours of work within a
- 20 designated period; but if the individual involved is already
- 21 receiving family support supplements under the State plan no
- 22 such test may be applied.".
- 23 T(d) Demonstration Authority. (1) Section
- 24 1115(b)(2)(A) of such Act is amended by striking out "and
- 25 section 402(a)(19) (relating to the work incentive program)"

- 1 and inserting in lieu thereof "and section 416 (relating to the
- 2 national education, training, and work program)".
- 3 [(2) Section 1115 of such Act is further amended by
- 4 adding at the end thereof the following new subsection:
- 5 ["(d) In order to encourage States to develop innova-
- 6 tive education and training programs for children receiving
- 7 family support supplements under State plans approved
- 8 under section 402(a), any State may establish and conduct
- 9 one or more demonstration programs, targeted to such chil-
- 10 dren, designed to test financial incentives and interdiscipli-
- 11 nary approaches to reducing school dropouts, encouraging
- 12 skill development, and avoiding welfare dependence; and the
- 13 Secretary may make grants to States to assist in financing
- 14 such programs. Demonstration programs under this subsec-
- 15 tion shall meet such conditions and requirements as the Sec-
- 16 retary shall prescribe, and each such program shall be con-
- 17 ducted for at least one year but for no longer than 5 years.".
- 18 [SEC. 103. TECHNICAL AND CONFORMING AMENDMENTS.
- 19 (a) In Part A of Title IV.—(1) Section
- 20 402(a)(8)(A)(iv) of the Social Security Act is amended by
- 21 striking out "(but excluding" and all that follows and insert-
- 22 ing in lieu thereof a semicolon.
- 23 [(2) Section 402(a)(9)(A) of such Act is amended by
- 24 striking out "B, C, or D" and inserting in lieu thereof "B or
- 25 D".

1	L(3) Section 402(a)(35) of such Act is repealed.
2	(4) Section 403(a)(3) of such Act is amended—
3	(A) by striking out all of subparagraph (C) that
4	follows "such expenditures" and inserting in lieu there-
5	of "; and"; and
6	(B) by striking out all that follows subparagraph
7	(C).
8	[(5) Section 403(e) of such Act is repealed.
9	[6] Section 403(d) of such Act is repealed.
10	[(7) Section 407(b)(2)(A) of such Act is amended by
11	striking out "will be certified" and all that follows down
12	through "within 30 days" and inserting in lieu thereof "will
13	participate or apply for participation in the national educa-
14	tion, training, and work program under section 416 within 30
15	days".
16	(8) Section 407(b)(2)(C)(i) of such Act is amended by
17	striking out ", unless exempt" and all that follows down
18	through "is not registered" and inserting in lieu thereof "is
19	not currently participating in the national education, training,
20	and work program under section 416, unless such parent is
21	exempt under section 416(e)(4), or, if such parent is exempt
22	under such section 416(e)(4) and has not volunteered for such
23	participation as described in section 416(e)(2), is not
24	registered".

- 1 [9] Section 407(e) of such Act is amended by striking
- 2 out "to certify such parent" and all that follows and inserting
- 3 in lieu thereof "to participate or apply for participation in the
- 4 national education, training, and work program under section
- 5 416."
- 6 (10) Section 407(d)(1) of such Act is amended by
- 7 striking out "under section 409" and all that follows and
- 8 inserting in lieu thereof "under section 416(j);".
- 9 [(11) Section 407(e) of such Act is repealed.
- 10 [12] Section 409 of such Act is repealed.
- 11 [(13) Section 414 of such Act is repealed.
- 12 T(b) In Other Provisions. (1) Section 471(a)(8)(A)
- 13 of such Act is amended by striking out "A, B, C, or D" and
- 14 inserting in lieu thereof "A, B, or D".
- 15 [(2) Section 1108(b) of such Act is amended by striking
- 16 out "provided under section 402(a)(19)".
- 17 [(3) Section 1902(a)(10)(A)(i)(I) of such Act is amended
- 18 by striking out "section 414(g)" and inserting in lieu thereof
- 19 "section 416(i)(7)".
- 20 [SEC. 104. EFFECTIVE DATE.
- 21 The amendments made by this title shall become ef-
- 22 feetive October 1, 1989; except that if any State theretofore
- 23 makes the changes in its State plan approved under section
- 24 402 of the Social Security Act which are required in order to
- 25 carry out such amendments, and formally notifies the Secre-

1	tary of Health and Human Services of its desire to become
2	subject to such amendments as of the first day of any calen-
3	dar quarter beginning on or after the date on which the final
4	regulations of the Secretary of Health and Human Services
5	are published under section 416(m) of such Act and before
6	October 1, 1989, such amendments shall become effective
7	with respect to that State as of such first day.
8	
9	TITLE I—FAIR WORK
0	OPPORTUNITIES PROGRAM
.1	SEC. 101. ESTABLISHMENT OF FAIR WORK OPPORTUNITIES
2	PROGRAM.
3	(a) STATE PLAN REQUIREMENT.—Section
4	402(a)(19) of the Social Security Act is amended to
5	read as follows:
6	"(19) provide that the State has in effect
7	and operation a Fair Work Opportunities
8	Program approved by the Secretary of Labor
9	as meeting all of the requirements of section
20	416 and of part C of this title;".
21	(b) ESTABLISHMENT AND OPERATION OF STATE
22	PROGRAMS.—Part A of title IV of such Act is
23	amended by adding at the end thereof the follow-
24	ing new section:

1	"FAIR	WORK	OPPORTUNITIES	PROGRAM
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- 2 "SEC. 416. (a) PURPOSE.—It is the purpose of
- 3 the Fair Work Opportunities Program required
- 4 under subsection (b) to assure that needy children
- 5 and parents obtain the education, training, and
- 6 employment which will help them avoid long-term
- 7 welfare dependence.
- 8 "(b) ESTABLISHMENT AND OPERATION OF PRO-
- 9 GRAMS.—As a condition of its participation in the
- 10 Family Support Program under this part, each
- 11 State shall establish and operate a Fair Work Op-
- 12 portunities Program approved by the Secretary of
- 13 Labor as meeting the requirements of part C of
- 14 this title.
- 15 "(c) PARTICIPATION.—(1) Each adult recipient
- 16 of family support supplements in the State who is
- 17 not exempt under paragraph (3) shall be required
- 18 to participate in the Fair Work Opportunities Pro-
- 19 gram under part C to the extent that the program
- 20 is available in the political subdivision where he
- 21 or she resides and State resources otherwise
- 22 permit. The State public assistance agency (as
- 23 such term is defined in section 431(6)) shall take
- 24 such action as may be necessary to ensure that
- 25 each recipient of such supplements (including

- 1 each such recipient who is exempt under para-
- 2 graph (3)) is notified and fully informed concern-
- 3 ing the education, training, and work opportuni-
- 4 ties offered under the program.
- 5 "(2) The State may require participation in
- 6 the program under part C by recipients who are
- 7 not exempt under paragraph (3) (hereinafter re-
- 8 ferred to as 'mandatory participants'), and shall
- 9 also extend the opportunity to participate in the
- 10 program to recipients who are exempt under para-
- 11 graph (3) (hereinafter referred to as 'voluntary
- 12 participants'). The State shall actively encourage
- 13 such exempt recipients to participate in the pro-
- 14 gram, and shall from time to time furnish to the
- 15 Secretary of Labor appropriate assurances that it
- 16 is doing so.
- 17 "(3) The following are exempt from mandato-
- 18 ry participation in the program under part C—
- "(A) an individual who is ill, incapacitat-
- ed, or 60 years of age or over;
- 21 "(B) an individual who is needed in the
- 22 home because of the illness or incapacity of
- 23 **another family member**;
- "(C) the parent or other caretaker rela-
- 25 tive of a child under 3 years of age (subject

to the last sentence of this paragraph); except that the State shall permit and encourage participation in the program in the case of parents and other caretaker relatives of children who have attained 1 year of age but who have not attained 3 years of age, where appropriate day care is guaranteed to the relative involved and his or her participation is on a part-time basis;

"(D) the parent or other caretaker relative of a child who has attained 3 years of age but not 6 years of age unless appropriate day care is guaranteed to such relative and his or her participation is on a part-time basis;

"(E) the parent or other caretaker relative of a child who has attained 6 years of age but not 15 years of age unless appropriate day care is guaranteed to such relative during any period while such child is not in school or is not otherwise receiving care during the time such parent or relative is participating in the program under part C;

"(F) an individual who is working 20 or more hours a week;

"(G) a child who is under the age of 16 or 1 attending, full time, an elementary, second-2 ary, or vocational (or technical) school, 3 except in the case of a minor parent with re-4 spect to whom the State has exercised its 5 option under section 417(c); 6 "(H) a woman who is pregnant; and 7 "(I) an individual who resides in an area 8 9 of the State where the program is not avail-10 able. In the case of a two-parent family to which section 407 applies, the exemption under subparagraph 13 (C), (D), or (E) shall apply only to one parent or 14 other caretaker relative; but the State may at its 15 option make such exemption inapplicable in any 16 such case to both of the parents or relatives in-17 volved (and require the participation in the program of one of them on a full-time basis) if appropriate child care is guaranteed in accordance with the applicable provisions of such subparagraph. "(4) If the parent or other caretaker relative 21 or any dependent child in the family attends (in 22 good standing) a school, an accredited postsecond-23 ary institution, or a course of vocational or tech-

25 nical training which can reasonably be expected to

- 1 lead to employment, at the time he or she would
- 2 otherwise commence participation (as a mandato-
- 3 ry participant or voluntary participant) in the pro-
- 4 gram under part C, such attendance shall consti-
- 5 tute satisfactory participation in the educational
- 6 or training component of the program (by that
- 7 parent, caretaker, or child) so long as it continues;
- 8 and the family support plan shall so indicate. The
- 9 costs of such school or training shall not consti-
- 10 tute federally reimbursable expenses for purposes
- 11 of section 403 (but this sentence shall not prevent
- 12 the State from providing or making reimburse-
- 13 ment for the cost of day care and other supportive
- 14 services which are necessary for such attendance
- 15 in accordance with section 402(g)).
- 16 "(5) For purposes of paragraph (3), the term
- 17 'appropriate day care' means only day care that
- 18 (A) provides to the parent or caregiver, a safe,
- 19 healthy, supportive setting appropriate for the age
- 20 and individual needs of their children; (B) pro-
- 21 vides unlimited parental access; (C) posts in clear
- 22 public view the appropriate telephone number for
- 23 filing any complaint regarding child care quality,
- 24 or health or safety violations; and (D) complies
- 25 fully with all local health and fire safety standards

1	(as required by section $402(g)(1)(B)$ of this Act as
2	amended by title II of the Family Welfare Reform
3	Act of 1987).
4	"(d) SPECIAL EFFORTS.—With the objective of
5	making the most effective use of resources avail-
6	able to a State, special efforts shall be undertaken
7	under this section and part C of this title to devel-
8	op and provide needed services and activities for-
9	"(1) families with a teenage parent, and
10	families with a parent who was under 18
11	years of age when the first child was born;
12	"(2) families that have been receiving aid
13	to families with dependent children or family
14	support supplements continuously for two or
15	more years;
16	"(3) families with one or more children
17	under 6 years of age;
18	"(4) families with a parent who has not
19	been employed during the preceding 12
20	months or who lacks a high school diploma
21	or equivalent, or has special educational
22	needs; and
23	"(5) families with older children in which
24	the youngest child is within 2 years of being

- ineligible for family support supplements be-
- 2 cause of age.
- 3 "(e) PRIORITIES.—To the extent that the re-
- 4 sources available to a State are not adequate to
- 5 accommodate the provision of services to all man-
- 6 datory participants and voluntary participants
- 7 under this section and part C, first consideration
- 8 shall be given to those (whether mandatory or vol-
- 9 untary participants) who actively seek to partici-
- 10 pate in program activities.
- "(f) ORIENTATION.—(1)(A) During orientation,
- 12 the State public assistance agency shall provide
- 13 each applicant for family support supplements full
- 14 information (verbally and in writing) about the
- 15 opportunities offered by the Fair Work Opportu-
- 16 nities Program under part C and the rights, re-
- 17 sponsibilities, and obligations of participants in
- 18 the program, the obligations of the State agency to
- 19 provide necessary supportive services (including
- 20 child care), and descriptions of transitional child
- 21 care services and health coverage transitional
- 22 options.
- 23 "(B) As part of such orientation, the local re-
- 24 source and referral agency, or (if resource and re-
- 25 ferral agencies are not in place) an agency repre-

- 1 sentative knowledgeable about child care, shall
- 2 also provide (i) information on the type and loca-
- 3 tions of quality child care services available
- 4 within the geographical area reasonably accessible
- 5 to the applicants, (ii) assistance to such recipients
- 6 to select developmentally appropriate quality
- 7 child care services, and (iii) assistance to such re-
- 8 cipients to make arrangements to obtain such
- 9 child care services.
- 10 "(C) The information described in subpara-
- 11 graphs (A) and (B) shall also be provided to all
- 12 current recipients of family support supplements
- 13 within six months after regulations are issued to
- 14 implement this section and shall also be available
- 15 at any time to recipients of family support supple-
- 16 ments who did not receive orientation under this
- 17 subsection at the time of their initial application
- 18 for such supplements or who need additional in-
- 19 formation about the program.
- 20 "(2) During the orientation described in para-
- 21 graph (1), each applicants for or recipient of
- 22 family support supplements shall be informed of
- 23 the exemptions provided under subsection (c)(3),
- 24 and the consequences of a refusal to participate in
- 25 the program if not so exempt. Whether or not such

applicant or recipient is so exempt, he or she shall
be informed of the opportunity to receive first
consideration for services by actively seeking to
participate in the program and shall be given appropriate opportunities to indicate his or her
desire to participate at the end of the orientation
session. Each such applicant or recipient shall
also be notified in writing, within a month after
the orientation, of the opportunity to indicate his
or her desire to participate in the program, including a clear description of how to enter the program.

"(g) JOB SEARCH.—Job search by an applicant 13 14 for family support supplements may be required or assisted while his or her application is being processed. During orientation, each applicant shall be informed that job search by a participant 17 may be required or assisted after his or her initial 18 19 assessment, after his or her education or training, and at other appropriate times during his or her 20 participation in the program under part C, as may 21 be set forth in the agency-client agreement entered 22 into between such individual and the State work 23 initiatives agency under part C and as otherwise 2425 provided by such State agency. After 8 weeks of

- 1 job search activity without obtaining a job, a par-
- 2 ticipant shall not be required to continue in such
- 3 job search activity, but shall be provided educa-
- 4 tion, training, or other activities designed to im-
- 5 prove his or her prospects for employment. No re-
- 6 quirement imposed by the State under the preced-
- 7 ing provisions of this subsection may be used as a
- 8 reason for any delay in making a determination of
- 9 an individual's eligibility for family support sup-
- 10 plements or in issuing a payment to or on behalf
- 11 of any individual who is otherwise eligible for
- 12 such supplements.
- 13 "(h) SANCTIONS.—(1) If any mandatory partic-
- 14 ipant in the program under part C fails without
- 15 good cause to comply with any requirement im-
- 16 posed with respect to his or her participation in
- 17 such program—
- 18 "(A) the needs of such participant
- (whether or not section 407 applies) shall not
- be taken into account in making the determi-
- 21 nation with respect to his or her family
- under section 402(a)(7), and
- 23 "(B) if such participant is a member of a
- family which is eligible for family support
- supplements by reason of section 407, and his

- or her spouse is not participating in the pro-
- gram, the needs of such spouse shall also not
- 3 be taken into account in making such deter-
- 4 mination.
- 5 The sanction described in subparagraph (A) (and
- 6 the sanction described in subparagraph (B) if ap-
- 7 plicable) shall continue until the participant's fail-
- 8 ure to comply ceases; except that such sanction
- 9 shall continue for a minimum of 3 months if the
- 10 failure to comply is the participant's second or a
- 11 subsequent such failure.
- 12 "(2) No sanction shall be imposed under para-
- 13 graph (1) until appropriate notice thereof has been
- 14 provided to the participant involved, and until
- 15 conciliation efforts have been made to discuss and
- 16 resolve the participant's failure to comply and to
- 17 determine whether or not good cause for such fail-
- 18 ure existed. In any event, when a failure to comply
- 19 has continued for 3 months, the State public as-
- 20 sistance agency shall promptly remind the partici-
- 21 pant in writing of his or her option to end the
- 22 sanction by terminating such failure.
- 23 "(3) If a voluntary participant drops out of the
- 24 program under part C after having commenced
- 25 participation in such program, he or she shall

- 1 thereafter be given no priority so long as other
- 2 mandatory or voluntary participants are actively
- 3 seeking to participate under subsection (e).
- 4 "(i) WORK SUPPLEMENTATION PROGRAMS.—
- 5 (1) Any State may institute a work supplementa-
- 6 tion program under which such State, to the
- 7 extent it considers appropriate, may reserve the
- 8 sums which would otherwise be payable to partici-
- 9 pants in the program under this section as family
- 10 support supplements under the State plan ap-
- 11 proved under this part and use such sums instead
- 12 for the purpose of providing and subsidizing jobs
- 13 for such participants (as described in paragraph
- 14 (3)(C)(i) and (ii)), as an alternative to the supple-
- 15 ments which would otherwise be so payable to
- 16 them under such plan.
- "(2)(A) Notwithstanding any other provision
- 18 of law, Federal funds may be paid to a State under
- 19 this part, subject to the provisions of this section,
- 20 with respect to expenditures incurred in operating
- 21 a work supplementation program under this sub-
- 22 section.
- 23 "(B) Nothing in this part, or in any State plan
- 24 approved under this part, shall be construed to
- 25 prevent a State from operating (on such terms and

- 1 conditions and in such cases as the State may find
- 2 to be necessary or appropriate) a work supplemen-
- 3 tation program in accordance with the provisions
- 4 of this Act applicable to this subsection.
- 5 "(C) Notwithstanding any other provision of
- 6 law, a State may adjust the levels of the standards
- 7 of need under the State plan to the extent the
- 8 State determines such adjustments to be necessary
- 9 and appropriate for carrying out a work supple-
- 10 mentation program under this subsection.
- 11 "(D) Notwithstanding any other provision of
- 12 law, a State operating a work supplementation
- 13 program under this subsection may provide that
- 14 the need standards in effect in those areas of the
- 15 State in which such program is in operation may
- 16 be different from the need standards in effect in
- 17 the areas in which such program is not in oper-
- 18 ation, and such State may provide that the need
- 19 standards for categories of recipients of family
- 20 support supplements may vary among such cate-
- 21 gories to the extent the State determines to be ap-
- 22 propriate on the basis of ability to participate in
- 23 the work supplementation program.
- 24 "(E) Notwithstanding any other provision of
- 25 law, a State may make further adjustments in the

- 1 amounts of the family support supplements paid
- 2 under the plan to different categories of recipients
- 3 (as determined under subparagrpah (D)) in order
- 4 to offset increases in benefits from needs-related
- 5 programs (other than the State plan approved
- 6 under this part), to the extent the State determines
- 7 such adjustments to be necessary and appropriate
- 8 to further the purposes of the work supplementa-
- 9 tion program.
- 10 "(F) In determining the amounts to be re-
- 11 served and used for providing and subsidizing jobs
- 12 under this subsection as described in paragraph
- 13 (1), the State may use a sampling methodology.
- "(G) Notwithstanding section 402(a)(8) or any
- 15 other provision of law, a State operating a work
- 16 supplementation program under this subsection
- 17 may reduce or eliminate the amount of earned
- 18 income to be disregarded under the State plan to
- 19 the extent the State determines such a reduction
- 20 or elimination to be necessary and appropriate to
- 21 further the purposes of the work supplementation
- 22 program.
- "(3)(A) A work supplementation program op-
- 24 erated by a State under this subsection shall pro-
- 25 vide that any individual who is an eligible individ-

- 1 ual (as determined under subparagraph (B)) shall
- 2 take a supplemented job (as defined in subpara-
- 3 graph (C)) to the extent that supplemented jobs
- 4 are available under the program. Payments by the
- 5 State to individuals or employers under the pro-
- 6 gram shall be treated as expenditures incurred by
- 7 the State for family support supplements under
- 8 the State plan for purposes of section 403(a) (1)
- 9 and (2), except as limited by paragraph (4) of this
- 10 section.
- "(B) For purposes of this subsection, an eligi-
- 12 ble individual is an individual (not exempt under
- 13 subsection (c)(3)) who is in a category which the
- 14 State determines should be eligible to participate
- 15 in the work supplementation program, and who
- 16 would, at the time of his or her placement in the
- 17 job involved, be eligible for family support supple-
- 18 ments under the State plan if such State did not
- 19 have a work supplementation program in effect.
- "(C) For purposes of this subsection, a supple-
- 21 mented job is—
- "(i) a job provided to an eligible individ-
- 23 ual by the State work initiatives agency
- 24 under part C; or

- "(ii) a job provided to an eligible individ-
- 2 ual by any other employer for which all or
- 3 part of the wages are paid by such agency.
- 4 A State may provide or subsidize any job under
- 5 the program under this subsection which such
- 6 State determines to be appropriate.
- 7 "(D) At the option of the State, individuals
- 8 who hold supplemented jobs under a State's work
- 9 supplementation program shall be exempt from
- 10 the retrospective budgeting requirements imposed
- 11 pursuant to section 402(a)(13)(A)(ii) (and the
- 12 amount of the aid which is payable to the family
- 13 of such individual for any month, or which would
- 14 be so payable but for the family's participation in
- 15 the work supplementation program, shall be deter-
- 16 mined on the basis of the income and other rele-
- 17 vant circumstances in that month).
- 18 "(E) Section 439 shall apply with respect to as-
- 19 signments of eligible individuals to supplemented
- 20 jobs under this subsection.
- "(4) The amount of the Federal payment to a
- 22 State under section 403(a) for expenditures in-
- 23 curred in making payments to individuals and em-
- 24 ployers under a work supplementation program
- 25 under this subsection shall not exceed an amount

- 1 equal to the amount which would otherwise be
- 2 payable under paragraph (1) or (2) of such section
- 3 if the family of each individual employed in the
- 4 program had received the maximum amount of
- 5 family support supplements payable under the
- 6 State plan to such a family with no income (with-
- 7 out regard to adjustments under paragraph (2) of
- 8 this subsection) for a period of months equal to
- 9 the lesser of (A) nine months, or (B) the number
- 10 of months in which such individual was employed
- 11 in such program. Expenditures so incurred shall
- 12 be considered to have been made for family sup-
- 13 port supplements under the State plan for pur-
- 14 poses of section 403(a) (1) and (2).
- 15 "(5) Wages paid under a work supplementa-
- 16 tion program shall be considered to be earned
- 17 income for purposes of any provision of law.
- 18 "(6) Any State which chooses to operate a
- 19 work supplementation program under this subsec-
- 20 tion must provide that any individual who partici-
- 21 pates in such program, and any child or relative of
- 22 such individual (or other individual living in the
- 23 same household as such individual) who would be
- 24 eligible for family support supplements under the
- 25 State plan approved under this part if such State

1	did not have a work supplementation program,
2	shall be considered individuals receiving family
3	support supplements under the State plan ap-
4	proved under this part for purposes of eligibility
5	for medical assistance under the State plan ap-
6	proved under title XIX.
7	"(j) Uniform Reporting Requirements.—
8	The Secretary shall establish uniform reporting
9	requirements under which each State will be re-
10	quired periodically to furnish such information
11	and data as the Secretary may need to ensure that
12	the purposes and provisions of this section are
13	being effectively carried out, including at a
14	minimum—
15	"(1) the average monthly number of fam-
16	ilies participating in the program under this
17	section, the types of such families,
18	"(2) the amounts expended under the
19	program (as family support supplements and
20	otherwise) with respect to such families,
21	"(3) the length of time for which such
22	families are assisted child care cost for such
23	families,
24	"(4) the nature of child care arrange-

25

ments for such families, and

1	"(5) the numbers of children in each age
2	group (infants, toddlers, preschool, and
3	school age) receiving child care assistance.
4	The information and data so furnished shall be
5	separately stated with respect to each of the serv-
6	ices and activities under this section.".
7	(c) ESTABLISHMENT OF PROGRAM.—Part C of
8	title IV of the Social Security Act is amended to
9	read as follows:
10	"PART C—FAIR WORK OPPORTUNITIES FOR FAMILY
11	SELF-SUFFICIENCY
12	"DEFINITIONS
13	"SEC. 431. As used in this part—
14	"(1) the term 'recipient' means an indi-
15	vidual who is receiving aid to families with
16	dependent children or family support supple-
17	ments under part A of this title;
18	"(2) the term 'mandatory participant'
19	means a recipient who is not exempt from
20	the participation requirement under section
21	416(c) (2) and (3) of this Act;
22	"(3) the term 'voluntary participant'
23	means a recipient who is exempt from the
24	participation requirement under sections
25	416(c) (2) and (3) of this Act;

1	"(4) the term 'Secretary' means the Sec-
2	retary of Labor;
3	"(5) the term 'State work initiatives
4	agency' means the agency designated under
5	section 433 to develop the State plan and ad-
6	minister the Fair Work Opportunities Pro-
7	gram under this part;
8	"(6) the term 'State public assistance
9	agency' means the agency which administers
10	or supervises the State plan approved under
11	section 402 of this Act;
12	"(7) the term 'postsecondary institution'
13	has the meaning provided in section 4(18) of
14	the Job Training Partnership Act; and
15	"(8) the term 'appropriate day care' has
16	the meaning provided in section 416(c)(5) of
17	this Act.
18	"AUTHORIZATION AND ALLOCATION OF FUNDS
19	"SEC. 432. (a) AUTHORIZATION.—(1) There are
20	authorized to be appropriated to the Secretary of
21	Labor to carry out this part the sum \$650,000,000
22	for fiscal year 1988, and such sums as may be nec-
23	essary for each succeeding fiscal year.
24	"(2) Of the amount appropriated pursuant to
	paragraph (1) in excess of \$200,000,000 for any
26	fiscal year, the first \$150,000,000 shall be reserved

- 1 for purposes of providing child care under this 2 part.
- 3 "(b) RESERVED FUNDS.—Five percent of the 4 amount so appropriated—
- "(1) for fiscal year 1988 and fiscal year 1989, shall be made available by the Secretary to the States for technical assistance and planning grants and demonstration programs; and
- "(2) for each succeeding fiscal year, shall
 be made available by the Secretary for demonstration programs and to the States determined by the Secretary to be excelling in
 terms of the performance standards under
 section 438.
- "(c) ALLOCATIONS.—(1) The Secretary shall allocate 95 percent of the amount so appropriated for any fiscal year among the States to carry out plans approved under section 434. In allocating amounts among the States, the Secretary shall take into account each State's prior year allocations and the relative number of recipients in the various States during the most recent year for which satisfactory data are available.

"(2) Amounts allocated under this section to 1 any State shall be in addition to any amount payable to such State for use under section 416 and this part pursuant to section 403(a)(4) (as amended by section 102 of the Family Welfare Reform Act of 1987). "(d) MATCHING REQUIREMENT.—(1) Each State receiving an allocation under subsection (c)(1) shall ensure that there will be available, 10 from non-Federal sources, a portion of the costs 11 of providing services under this part. Contribu-12 tions from non-Federal sources may be provided in cash or in kind. 13 "(2) The amount required to be provided from 14 non-Federal sources in each State under para-15 graph (1) for fiscal year 1988 and each succeeding fiscal year shall be equal to the sum of— 17 "(A) 10 percent of so much of its alloca-18 tion under subsection (c)(1) as does not 19 exceed the State's prior year allocation; 20 "(B) 20 percent of so much of its alloca-21 tion under subsection (c)(1) as does exceed 22 the State's prior year allocation and is ex-23 24 pended for purposes of education and train-

ing programs under sections 436(a) (2) and

- 1 (3) and related child care and supportive 2 services; and
- "(C) 30 percent of so much of its allocation under subsection (c)(1) as does exceed the State's prior year allocation and is expended for any other purpose under this part
- 8 "(e) DEFINITION.—As used in the section, the 9 term 'prior year allocation' means the amount al-10 located to a State from appropriations for fiscal

(including administrative expenses).

11 year 1986 under this part.

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- 12 "STATE WORK INITIATIVES AGENCY
- "SEC. 433. The Governor of each State shall 13 designate, as the State work initiatives agency re-14 sponsible for developing the State plan and admin-15 istering the Fair Work Opportunities Program 16 under this part, the State public assistance agency, 17 the State employment services agency, or another 18 agency of State government. Such designation 19 shall be based on a determination that the agency 20 so designated has extensive capacity for exercising 21 overall direction of programs designed to meet the 22 employment and training needs of eligible partici-23

24 pants under this part in the State.

1	"STATE PLANS
2	"SEC. 434. (a) SUBMISSION.—In order to qual
3	ify for incentive grants under section 432(b)(2
4	and in order to receive an allocation under section
5	432(c) for any fiscal year, a State shall develop
6	and submit to the Secretary a State plan in
7	accordance with the requirements of this section
8	"(b) PROVISIONS.—Each such State plan shal
9	set forth—
10	"(1) a description of coordination ar
11	rangements with other Federal and State
12	agencies, including the State educationa
13	agency;
14	"(2) a description of the services to be
15	provided in programs under sections 436 and
16	437 and the methods and priorities to be used
17	in the allocation of such services;
18	"(3) assurances that the State plan meets
19	the criteria for coordination established in
20	the Governor's coordination and special serv-
21	ices plan pursuant to section 121(b)(1) of the
22	Job Training Partnership Act;
23	"(4) assurances that the State will meet
24	the matching requirements of section 434(d)

- and an identification of the State resources available to meet such requirements;
 - "(5) procedures for selecting service providers which take into account past performance in providing similar services, fiscal accountability, and ability to meet performance standards;
 - "(6) assurances that, if the State receives an allocation under section 432(b)(2) for excelling in terms of performance standards, the State will appropriately distribute an equitable portion thereof to any service provider whose actions were the basis for such allocation;
 - "(7) assurances that services provided are in addition to, and do not duplicate, services that are otherwise available from other Federal or State agencies on a nonreimbursable basis;
 - "(8) assurances that education, training, and work programs include private sector and local government involvement through administrative entities under section 4(2) of the Job Training Partnership Act, in planning and program design to assure that par-

ticipants are trained for jobs that are likely to be available in the community;

"(9) assurances that community-based organizations (as defined in section 4(5) of the Job Training Partnership Act) are involved in planning and program design to facilitate outreach in the client community and in the delivery of services (meeting the conditions set forth in section 107(a) of the Job Training Partnership Act);

"(10) a description of the distribution of services within the State (A) identifying for each area within the State the resources to be made available for training, on-the-job training, and transitional employment opportunities, and (B) explaining the economic and demographic reasons for such distribution;

"(11) assurances that necessary supportive services will be available to participants, including appropriate day care for children of preschool age or other children while not in school and while not otherwise receiving care during such times as their parents will be participating in activities under this part;

1	"(12) a description of the methods by
2	which the State will comply with the require-
3	ments of section 444; and
4	"(13) such other information and assur-
5	ances as the Secretary may require in accord-
6	ance with regulations.
7	"(c) PUBLIC COMMENTS.—Not later than 30
8	days before submission of the plan to the State job
9	training coordinating council in accordance with
10	subsection (d), the proposed State plan shall be
11	published and made reasonably available to the
12	general public through local news facilities and
13	public announcements, in order to provide the op-
14	portunity for review and comments through such
15	means as public hearings.
16	"(d) REVIEW AND APPROVAL.—The State
17	work initiatives agency shall submit the State plan
18	described in subsection (b)—
19	"(1) to the State job training coordinat-
20	ing council established pursuant to section
21	122 of the Job Training Partnership Act, for
22	a period not to exceed 90 days, for review and
23	comments prior to submission to the Gover-

nor;

1	"(2) to the Governor of the State for ap-
2	proval prior to the submission of the plan to
3	the Secretary; and
4	"(3) to the Secretary for approval of the
5	plan.
6	"(e) NOTICE AND OPPORTUNITY FOR HEAR
7	ING.—The Secretary shall notify the State work
8	initiatives agency within 45 days after submission
9	of the State plan whether it has been approved or
10	disapproved. Any notice of disapproval shall in
11	clude a statement of the reasons for such disap-
12	proval. A State plan shall not be disapproved
13	unless the State work initiatives agency has been
14	afforded an opportunity for a hearing on the plan
15	"ASSESSMENT AND FAMILY SUPPORT PLAN
16	"SEC. 435. (a) INITIAL ASSESSMENT AND DE-
17	VELOPMENT OF FAMILY SUPPORT PLAN.—The
18	State work initiatives agency shall make an initial
19	assessment of the educational, child care, and
20	other supportive services needs, as well as the
21	skills, prior work experience, and employability of
22	each participant in the program under this part
23	including a review of the family circumstances
24	and of the needs of the children as well as those of
25	the adult caretaker. The assessment of the educa-

26 tional needs of each participant shall include test-

- 1 ing of literacy and reading skills. On the basis of
- 2 such assessment, the State work initiatives agency
- 3 and the participating members of the family (or
- 4 the adult caretaker relative in the family with re-
- 5 spect to any such participant who is a child) shall
- 6 negotiate a family support plan for the family. The
- 7 family support plan shall set forth and describe all
- 8 of the activities in which participants in the family
- 9 will take part under the program, including the
- 10 child care and other supportive services that will
- 11 be provided to facilitate participation; and shall,
- 12 to the maximum extent possible and consistent
- 13 with this part, reflect the choices of such partici-
- 14 pants.
- 15 "(b) AGENCY-CLIENT AGREEMENT.—(1)(A)
- 16 Following the initial assessment and the develop-
- 17 ment of the family support plan with respect to
- 18 any family under this section, the State work ini-
- 19 tiatives agency and the participating members of
- 20 the family (or the adult caretaker relative in the
- 21 family with respect to participants who are chil-
- 22 dren) shall negotiate and enter into an agency-
- 23 client agreement including—
- "(i) a commitment by the participants (or
- adult caretaker relative) to participate in the

program in accordance with the family support plan,

"(ii) a description in detail of the activities in which the participants will take part and the conditions and duration of such participation, and

"(iii) a description in detail of all of the activities, including child care and other supportive services, which the State will arrange and the services which the State will provide in the course of such participation.

"(B) Each participant (or adult caretaker rel-12 ative) shall be given such assistance as may be re-13 quired in reviewing and understanding the family 14 support plan and his or her obligations and those 15 16 of the agency as specified in the agency-client agreement. Prior to signing the agency-client 17 agreement, each participant shall be afforded an opportunity, for a period of not to exceed 10 days, 19 20 to review the proposed agreement, to request addi-21 tional information concerning its terms and contents, and to renegotiate any appropriate provi-22sion of the agreement which he or she deems 2324 necessary.

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- "(2) Each participant shall be guaranteed an 1 opportunity for a fair hearing before the State work initiatives agency in the event of any dispute involving the contents of the family support plan, the contents or signing of the agency-client agreement, the nature or extent of his or her participation in the program as specified therein, the availability of child care and other supportive services, or any other aspect of such participation which is provided for under this section (including any dis-10 pute involving the imposition of sanctions under 11 section 402(h) of this Act and the participant's 12 right to conciliation before any such sanction is 13 imposed); and the agency-client agreement shall 14 so provide. The agency-client agreement shall be 15 signed by the participant (or adult caretaker rela-16 tive) and the agency representative responsible 17 for implementation of the agreement. 18
- "(3) The State work initiatives agency shall assign to each participating family a member of the agency staff to provide case assistance services to the family; and the case assistant so assigned shall be responsible for—
- 24 "(A) obtaining or brokering, on behalf of 25 the family, any other services which may be

1	needed to assure the family's effective par-
2	ticipation,
3	"(B) monitoring the progress of the par-
4	ticipant, and
5	"(C) periodically reviewing and renego-
6	tiating the family support plan and the
7	agency-client agreement as appropriate.
8	Amounts expended in providing case assistance
9	services under this paragraph shall be considered
10	to be expenditures for the proper and efficient
11	administration of the State plan.
12	"COMPREHENSIVE EDUCATION, TRAINING, JOB, AND
13	SUPPORT SERVICES
14	"SEC. 436. (a) COMPREHENSIVE SERVICES.—
15	Comprehensive services to be offered to partici-
16	pants under this part shall include—
17	"(1) job search services, including (but
18	not limited to)—
19	"(A) training in job seeking skills;
20	"(B) job search and job club activi-
21	ties;
22	"(C) job and career counseling;
23	"(D) testing and assessment;
24	"(E) labor market information; and
25	"(F) referral to employers;

1	"(2) education programs, including (but
2	not limited to)—
3	"(A) basic and remedial education;
4	"(B) literacy training;
5	"(C) bilingual education for individ-
6	uals with limited English proficiency;
7	"(D) high school or equivalent educa-
8	tion (combined with training when ap-
9	propriate) for individuals who lack a
10	high school diploma; and
11	"(E) appropriate specialized ad-
12	vanced education;
13	"(3) training programs, including (but
14	not limited to)—
15	"(A) job readiness activities to help
16	prepare participants for employment;
17	"(B) institutional job skills training;
18	"(C) on-the-job training; and
19	"(D) work experience;
20	"(4) necessary support services, as
21	required by subsection (c);
22	"(5) counseling, information, and re-
23	ferrals to help participants experiencing
24	personal or family problems which may
25	affect their ability to engage in work; and

1	"(6) job development, job placement,
2	and follow-up services to assist partici-
3	pants in securing and retaining employ-
4	ment and advancement.

- "(b) TRANSITIONAL EMPLOYMENT.—Comprehensive services may also include transitional employment, subject to the requirements of section 8 437.
- "(c) SUPPORT SERVICES.—Eligible partici-9 pants receiving any of the services described in paragraphs (1), (2), and (3) of subsection (a) or in 11 subsection (b) shall be provided such related sup-12 port services as are necessary to enable such individuals to participate therein. Related support services shall include transportation and child 15 16 care assistance. Any individual who is the parent or other caretaker relative of any dependent child 17 or incapacitated individual and whose family 18 ceases to be eligible for family support supple-19 ments under the State plan under section 402 as of 20 the close of any month (if at that time the family 21 has earnings) shall continue to be entitled to reim-22 bursement for the costs of any appropriate day 23 24 care (subject to the applicable dollar limitations specified in section 402(g)(1)) which is determined 25

- 1 by the State agency to be reasonably necessary for
- 2 his or her employment, for a period of up to 12
- 3 months after the close of such month, under a
- 4 sliding scale formula established by the State
- 5 which shall be based on the family's ability to pay
- 6 (and under which such applicable dollar limita-
- 7 tions are appropriately reduced to reflect such
- 8 ability).
- 9 "(d) EDUCATION SERVICES.—(1) Any partici-
- 10 pant lacking a high school diploma shall, before
- 11 being required to participate in any other services
- 12 or activities, be required to participate in a pro-
- 13 gram which addresses the education needs identi-
- 14 fied in the participant's initial assessment, includ-
- 15 ing high school or equivalent education designed
- 16 specifically for participants who do not have a
- 17 high school diploma, remedial education to
- 18 achieve a basic literacy level, or instruction in
- 19 English as a second language; and both the family
- 20 support plan and the agency-client agreement
- 21 shall so provide. Any other services or activities to
- 22 which such a participant is assigned under the
- 23 agreement may not be permitted to interfere with
- 24 his or her participation in an appropriate educa-
- 25 tion program under this paragraph. Any partici-

- 1 pant pursuing a high school or equivalent educa-
- 2 tion shall not be required to participate in other
- 3 services or activities.
- 4 "(2) Children in participating families who
- 5 are not themselves participants in the program
- 6 under this part shall be encouraged to take part in
- 7 any suitable education or training programs avail-
- 8 able under the program authorized by this part;
- 9 and the program must also provide to such chil-
- 10 dren additional services specifically designed to
- 11 help them stay in school (including financial in-
- 12 centives as appropriate), complete their high
- 13 school education, and obtain marketable job
- 14 skills. Activities in which such children participate
- 15 may not, however, be permitted to interfere with
- 16 their school attendance.
- 17 "(3) An individual who attends an accredited
- 18 postsecondary institution (on not less than a half-
- 19 time basis), as long as such individual is making
- 20 satisfactory progress in a vocational or under-
- 21 graduate education or training program consist-
- 22 ent with the individual's employment goals, shall
- 23 be deemed to be participating satisfactorily under
- 24 this part without participating in any other pro-
- 25 gram or activity.

1	"(e) REPETITION OF PROGRAMS PROHIBITED.—
2	An individual who has completed participation in
3	a program component described in paragraph (2)
4	or (3) of subsection (a) shall not be required to
5	participate again in the same component.
6	"(f) WORK EXPERIENCE PROGRAMS.—(1) Any
7	State which chooses to do so may establish a work
8	experience program in accordance with this sub-
9	section. The purpose of such programs is to pro-
10	vide marketable work experience and training for
11	individuals who are not otherwise able to obtain
12	employment, through a combination of work ex-
13	perience and vocational training or educational
14	activities as part of a planned sequence set forth
15	in the participant's family support plan. Such pro-
16	grams shall be designed to move participants into
17	regular public or private employment. Such pro-
18	grams must be able demonstrably—
19	"(A) to provide marketable skills to par-
20	ticipants without previous work experience,
21	"(B) to upgrade the existing skills of par-
22	ticipants with limited previous work experi-
23	ence, or
24	"(C) to transform obsolete skills into
25	marketable skills.

- "(2) Work experience programs shall be limit-1 ed to projects which serve a useful public purpose 2 in fields such as health, social service, environ-3 mental protection or conservation, education, urban and rural development and redevelopment, 5 welfare, recreation, public facilities, public safety, and day care. Priority with respect to the selection of agencies carrying out such projects shall be given to those agencies which offer child care or health care. To the extent possible, the prior train-10 ing, experience, and skills of a recipient shall be 11 used in making appropriate work experience as-12 signments. Participants in a program under this 13
- "(3) A State which elects to establish a work
 experience program under this subsection shall
 operate such program so that each participant, in
 conjunction with vocational training or educational activities, performs unpaid work experience
 (for a total of not more than 30 hours a week) for
 a period not exceeding 3 months.

subsection may not fill unfilled vacancies.

- "(4) No participant shall be assigned to a position under this subsection unless—
- 24 "(A) the participant's initial assessment 25 identifies lack of recent work experience as a

1	barrier	to	immediate	placement	in	regular
2	public o	r p	rivate emplo	yment;		

- "(B) the participant is unable to be placed in work supplementation programs established pursuant to this title, or in unsubsidized employment;
- "(C) the assignment is part of a planned sequence of activities, specified in both the family support plan and the agency-client agreement, which is designed to prepare the participant for regular public or private employment; and
- 13 "(D) the participant has not been em-14 ployed during the preceding 6 months.
- "(5) If at the conclusion of his or her partici-15 pation in the work experience program, the indi-16 vidual has not become employed, a reassessment 17 with respect to such individual shall be made and 18 a modified family support plan developed. In no 19 event shall any individual who has completed the 20 activities described in this subsection be required to repeat such activities or be reassigned to per-22 form other unpaid work experience, unless— 23
- 24 "(A) the individual requests to repeat 25 such activities or be reassigned to perform

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1	unpaid work experience, and such request is
2	reflected in a modified family support plan
3	or
4	"(B) such extension would lead to em
5	ployment in an on-the-job training position.
6	Any extension under this paragraph shall be only
7	for the time period described in paragraph (3).
8	"(6) The State shall provide coordination be
9	tween a work experience program operated pursu
10	ant to this subsection, any program of job search
11	and the other work-related activities under this
12	part so as to ensure that job placement will have
13	priority over participation in the work experience
14	program.
15	"(7) Participants in such programs may not be
16	required, without their consent, to travel unrea-
17	sonable distances from their homes or remain
18	away from their homes overnight.
19	"TRANSITIONAL EMPLOYMENT
20	"SEC. 437. (a) RESTRICTIONS ON TRANSITIONAL
21	EMPLOYMENT.—Transitional employment provide
22	ed under this section includes only employment
23	(for wages) which shall be—
24	"(1) with a public or nonprofit private
25	employer;

1	"(2) for a period not to exceed 6 months,
2	unless at the end of such 6-month period ad-
3	ditional transitional employment is deter-
4	mined to be necessary in a review and modi-
5	fication of the family support plan; and
6	"(3) partially or wholly subsidized under
7	this part.
8	"(b) ELIGIBILITY FOR TRANSITIONAL EMPLOY-
9	MENT.—An individual may not be provided with
10	transitional employment under this section unless
11	such transitional employment is part of the family
12	support plan and the individual—
13	"(1) has been a participant for at least 6
14	months in comprehensive services (as de-
15	scribed in section 436), including job search,
16	or such longer period as may be required for
17	the participant to achieve substantial
18	progress in the education component of such
19	services; and
20	"(2) has been unable to secure unsubsi-
21	dized employment.
22	"(c) PRIORITIES.—In providing transitional
23	employment for such individuals, priority shall be
24	given to transitional employment which—

1	"(1) provides services to other eligible
2	participants, such as child care and transpor-
3	tation; or
4	"(2) is likely to lead to unsubsidized em-
5	ployment, directly or through on-the-job
6	training.
7	"PERFORMANCE STANDARDS
8	"SEC. 438. (a) CRITERIA FOR ESTABLISHING
9	STANDARDS.—For the purpose of evaluating the
10	success of programs established under this part
11	and determining eligibility for additional alloca-
12	tions under section 432(b)(2), the Secretary of
13	Labor, on the basis of recommendations received
14	pursuant to subsection (b) of this section, shall es-
15	tablish performance standards. Such performance
16	standards—
17	"(1) shall be measured by outcome and
18	not by levels of activity or participation, and
19	shall be based on the degree of success which
20	may reasonably be expected of States, in car-
21	rying out work-related programs under this
22	part which help such individuals achieve self-
23	sufficiency and in reducing welfare costs;
24	"(2) shall take into account job place-
25	ment rates, wages, job retention, reduced
20	lovals of aid under the State plan improve-

- 1 ments in the educational levels of partici-
- pants, and the extent to which participants
- are able to obtain jobs providing health bene-
- 4 fits or child care;
- 5 "(3) shall encourage States to give appro-
- 6 priate recognition to the greater difficulties
- 7 in achieving self-sufficiency which face indi-
- 8 viduals who have greater barriers to employ-
- 9 ment; and
- 10 "(4) shall include guidelines permitting
- appropriate variations to take account of the
- 12 differing conditions (including unemploy-
- ment rates) which may exist in different
- 14 States.
- 15 "(b) PROCEDURES FOR ESTABLISHING STAND-
- 16 ARDS.—(1) The Secretary shall establish an advi-
- 17 sory committee to develop proposed performance
- 18 standards meeting the requirements of subsection
- 19 (a). The advisory committee shall include repre-
- 20 sentatives of State agencies administering pro-
- 21 grams under this part, State job training coordi-
- 22 nating councils, labor organizations, business or-
- 23 ganizations, education agencies, community based
- 24 organizations, and organizations representing eli-
- 25 gible participants.

- 1 "(2) The proposed performance standards de-
- 2 veloped by such advisory committee shall be sub-
- mitted to the Office of Technology Assessment, for
- 4 a period not to exceed 30 days, for review and
- 5 comment prior to their submission to the Secre-
- 6 tary. The comments of the Office of Technology
- 7 Assessment concerning the proposed performance
- 8 standards shall be included with the documents
- 9 submitted to the Secretary by the advisory com-
- 10 mittee.
- 11 "(3) The Secretary may collect preliminary
- 12 program information from the States to assist in
- 13 the development of performance standards. The
- 14 Secretary shall have access to information devel-
- 15 oped pursuant to section 104(c) of the Family
- 16 Welfare Reform Act of 1987 for such purpose.
- 17 "(c) Preliminary and Final Standards.—
- 18 Preliminary guidelines intended to facilitate com-
- 19 pliance with performance standards referred to in
- 20 subsection (a) shall be established within 12
- 21 months after the date of the enactment of the
- 22 Family Welfare Reform Act of 1987. Final stand-
- 23 ards shall be established, prescribed, and pub-
- 24 lished no later than 24 months after enactment of
- 25 such Act.

- 1 "(d) STATE-BY-STATE VARIATION.—The per-
- 2 formance standards developed and prescribed
- 3 under this section shall be varied by the Governor
- 4 of a State, to the extent permitted under subsec-
- 5 tion (a), to the extent necessary to take account of
- 6 specific economic, geographic, and demographic
- 7 factors in the State, the characteristics of the pop-
- 8 ulation to be served, and the types of services to be
- 9 provided.
- 10 "(e) TARGETING OF SERVICES.—Prior to the
- 11 development of performance standards under this
- 12 section, each State should take immediate action
- 13 to fulfill the purposes of this part regarding the
- 14 targeting of services toward those individuals who
- 15 are most difficult to place in unsubsidized employ-
- 16 ment on the basis of—
- 17 "(1) work experience,
- "(2) duration of welfare dependency, and
- 19 "(3) educational attainments.
- 20 "(f) EVALUATIONS.—(1) The Secretary shall
- 21 conduct evaluations of each State's progress
- 22 toward meeting the performance standards devel-
- 23 oped under this section. Evaluations shall be con-
- 24 ducted at the completion of each fiscal year for

- 1 which a State may be held accountable for such
- 2 standards.
- 3 "(2) If a State fails to meet the performance
- 4 standards at the conclusion of any such evalua-
- 5 tion period, the Secretary shall provide such nec-
- 6 essary technical assistance to the State as will fa-
- 7 cilitate meeting such standards. The Secretary
- 8 shall review the State's compliance within a rea-
- 9 sonable period after providing such assistance (as
- 10 determined by the Secretary and the Governor),
- 11 except that such period may not exceed 6 months.
- "(g) INCENTIVE ALLOCATIONS.—(1) In the case
- 13 of any State which meets or exceeds the perform-
- 14 ance standards, such State shall be eligible for in-
- 15 centive allocations available under section
- 16 **432(b)(2).**
- 17 "(2) The amount of such additional allocation
- 18 shall be based on the extent to which such State
- 19 meets or exceeds the performance standards under
- 20 performance categories established by this part.
- 21 The Secretary shall determine the amounts of
- 22 such incentive awards.
- 23 "(h) REVIEW AND REVISION OF STANDARDS.—
- 24 The Secretary shall periodically (but not more fre-
- 25 quently than once each three years) review the

- 1 performance standards developed under this sec-
- 2 tion and submit recommendations for changes to
- 3 the advisory committee and the Office of Technol-
- 4 ogy Assessment for review and comment prior to
- 5 prescribing any revisions to such standards.
- 6 "GENERAL REQUIREMENTS
- 7 "SEC. 439. (a) REFUSAL TO PARTICIPATE.—
- 8 Prior to a determination pursuant to section
- 9 416(h) that an individual has refused to partici-
- 10 pate under section 416 or this part without good
- 11 cause, the State work initiatives agency shall pro-
- 12 vide to such individual a notice of intent to make
- 13 such determination. In no event may a final deter-
- 14 mination be made in a first such instance unless
- 15 such individual has been offered an opportunity to
- 16 reach a conciliatory resolution, including the op-
- 17 portunity to discuss reasons for the lack of coop-
- 18 eration and to propose options with the goal of
- 19 continuing in the program under this part. The
- 20 failure of a State to provide services to an individ-
- 21 ual in accordance with a family support plan de-
- 22 veloped under section 435 shall constitute one of
- 23 the grounds for good cause.
- 24 "(b) BENEFITS AND LABOR STANDARDS.—The
- 25 provisions of sections 142 and 143 (relating to ben-
- 26 efit requirements and labor standards) of the Job

- 1 Training Partnership Act shall apply to all pro-
- 2 gram activities under section 416 and under this
- 3 part and any work program carried out under this
- 4 Act.
- 5 "(c) SUITABILITY OF WORK ASSIGNMENTS.—
- 6 (1)(A) Each assignment of a participant to any
- 7 program activity under section 416 or under this
- 8 part, or under any work program carried out
- 9 under this Act, shall be consistent with the physi-
- 10 cal capacity, skills, experience, health, family re-
- 11 sponsibilities, and place of residence of such par-
- 12 ticipant. For the purposes of this part and section
- 13 416, or any work program carried out under this
- 14 Act, part-time participation shall in no event
- 15 exceed 20 hours per week; and no part-time partic-
- 16 ipant shall be required to participate in more than
- 17 one program or activity if travel to and participa-
- 18 tion therein would exceed such time.
- "(B) Before assigning a participant to any ac-
- 20 tivity under section 416 or under this part, or
- 21 under any work program carried out under this
- 22 Act, the State shall assure that—
- "(i) appropriate standards for health,
- safety, and other conditions are applicable to
- 25 participation in such activity;

"(ii) the conditions of participation in such activity are reasonable, taking into account the geographic region, the residence of the participant, and the proficiency of the participant, and the child care and other supportive service needs of the participant; and "(iii) the participant will not be required.

"(iii) the participant will not be required, without his or her consent, to travel an unreasonable distance from his or her home or remain away from such home overnight.

"(2) The State may not require a participant 11 12 in the program under this part or under section 416 or under any program under this Act to accept 13 a position under the program (as work supplemen-15 tation or otherwise) if accepting the position would result in the receipt of wages paid at a rate 16 below the Federal minimum wage established by 17 the Fair Labor Standards Act of 1938. The State 18 shall establish a program whereby, to prevent any 19 loss of income to the participant as a result of the 20 acceptance of such job, the State shall provide a 21 supplement at a level which, when combined with 22 wages from such job, equals the participant's ben-23 efits level while participating in the program for a 24 period of 12 months. 25

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1	"(d) MANDATORY WORKFARE PROHIBITED.—
2	Funds available under this part will not be used,
3	directly or indirectly, to support any mandatory
4	workfare program. As used in this subsection, the
5	term 'mandatory workfare program' means any
6	program under which recipients of welfare or
7	other public assistance are to be required to per-
8	form work in exchange for such assistance, but
9	are not to be provided wages and worker benefits
10	in paid employment.
11	"(e) Nondiscrimination Provisions.—(1)
12	The provisions of section 167 (relating to nondis-
13	crimination) of the Job Training Partnership Act
14	shall apply to all program activities under section
15	416 and under this part and any work program
16	carried out under this Act.
17	"(2) Individuals assigned to any job or work
18	program under this Act shall not be discriminated
19	against on the basis of race, sex, national origin,
20	religion, age, or handicapping condition, and such
21	individuals shall have such rights as are available
22	under any Federal, State, or local law prohibiting
23	discrimination in employment.
24	"USE OF EXISTING RESOURCES
25	"Sec. 440. (a) Reimbursement Permitted.—

26 In making use of the programs of other State or

- 1 local agencies (public or private), a State agency
- 2 may reimburse such agencies for services ren-
- 3 dered to individuals under this part to the extent
- 4 that such services and opportunities are not other-
- 5 wise available on a nonreimbursable basis.
- 6 "(b) USE OF SERVICES AND INFORMATION
- 7 FROM PRIVATE INDUSTRY COUNCILS.—(1) The
- 8 State work initiatives agency shall utilize the serv-
- 9 ices of each private industry council (as estab-
- 10 lished under the Job Training Partnership Act) to
- 11 identify and provide advice on the types of jobs
- 12 available or likely to become available in the serv-
- 13 ice delivery area of such council.
- 14 "(2) The State work initiatives agency shall
- 15 not conduct, in any area, institutional training
- 16 under any program established pursuant to sec-
- 17 tion 436(a) of any type which is not related to jobs
- 18 of the type which are or are likely to become
- 19 available in such area as determined after taking
- 20 into account information provided by the private
- 21 industry council for such area.
- 22 "(c) In carrying out services and activities
- 23 under this part, the State work initiatives agency
- 24 may enter into appropriate contracts and other ar-
- 25 rangements with public and private agencies and

- 1 organizations for the provision or conduct of any
- 2 services or activities under this part.
- 3 "REPORTS, RECORDKEEPING, AND INVESTIGATIONS
- 4 "SEC. 441. (a) RECORDS AND REPORTS.—(1)
- 5 Each State work initiatives agency shall keep
- 6 records that are sufficient to permit the prepara-
- 7 tion of reports required by this part and to permit
- 8 the training of funds to a level of expenditure ade-
- 9 quate to insure that the funds have not been spent
- 10 unlawfully.
- "(2) Each State work initiatives agency shall
- 12 maintain such records and submit such reports, in
- 13 such form and containing such information, as
- 14 the Secretary requires regarding the performance
- 15 of its programs. Such records and reports shall be
- 16 submitted to the Secretary, but shall not be re-
- 17 quired to be submitted more than once each quar-
- 18 ter unless specifically requested by the Congress
- 19 or a committee thereof.
- 20 "(b) INVESTIGATIONS.—(1)(A) In order to
- 21 evaluate compliance with the provisions of this
- 22 part, the Secretary shall conduct in several States,
- 23 in each fiscal year, investigations of the use of
- 24 funds received by State work initiatives agencies
- 25 under this Act.

- 1 "(B) In order to insure compliance with the
- 2 provisions of this part, the Comptroller General of
- 3 the United States may conduct investigations of
- 4 the use of funds received under this part by any
- 5 State agency.
- 6 "(2) In conducting any investigation under
- 7 this part, the Secretary or the Comptroller Gener-
- 8 al of the United States may not request the compi-
- 9 lation of any new information not readily avail-
- 10 able to such State agency.
- 11 "(c) STATE REPORTS.—Each State work initia-
- 12 tives agency shall make such reports concerning
- 13 its operations and expenditures as shall be pre-
- 14 scribed by the Secretary.
- 15 "(d) REVIEW OF COMPLAINTS.—(1) Whenever
- 16 the Secretary receives a complaint from any inter-
- 17 ested person which alleges, or whenever the Secre-
- 18 tary has reason to believe, that a State work initia-
- 19 tives agency receiving financial assistance under
- 20 this part is failing to comply with the require-
- 21 ments of this part or the terms of the State plan,
- 22 the Secretary shall investigate the matter.
- "(2) If, after such investigation, the Secretary
- 24 determines that there is substantial evidence to
- 25 support such allegation or belief that such a State

- 1 work initiatives agency is failing to comply with
- 2 such requirements, the Secretary shall, after due
- 3 notice and opportunity for a hearing to such State
- 4 work initiatives agency, determine whether such
- 5 allegation or belief is true.
- 6 "(3) The Secretary shall conduct such investi-
- 7 gation, and make the final determination required
- 8 by paragraph (2) regarding the truth of the allega-
- 9 tion or belief involved, not later than 120 days
- 10 after receiving the complaint.
- 11 "NONCOMPLIANCE AND CORRECTIVE ACTIONS
- "SEC. 442. (a) SANCTIONS FOR NONCOMPLI-
- 13 ANCE.—(1) If the Secretary of Labor concludes
- 14 that any State work initiatives agency receiving
- 15 funds under this part, or if the Secretary of Health
- 16 and Human Services concludes that any State
- 17 public assistance agency under section 416 or any
- 18 other provision of this Act is failing to comply
- 19 with any provision of this Act, such Secretary
- 20 shall have authority to terminate or suspend fi-
- 21 nancial assistance in whole or in part and to order
- 22 such sanctions or corrective actions as appropri-
- 23 ate, including the repayment of misspent funds
- 24 from sources other than funds under this part and
- 25 the withholding of future funding, if prior notice

- 1 and an opportunity for a hearing have been given
- 2 to the State.
- 3 "(2) Whenever such Secretary orders termina-
- 4 tion or suspension of financial assistance to a sub-
- 5 grantee or subcontractor (including any operator
- 6 under a nonfinancial agreement), such Secretary
- 7 shall have authority to take whatever action is
- 8 necessary to enforce such order, including action
- 9 directly against the subgrantee or contractor (and
- 10 including requiring the primary recipient to take
- 11 legal action) to reclaim misspent funds or to oth-
- 12 erwise protect the integrity of the funds or ensure
- 13 the proper operation of the program.
- 14 "(b) REMEDIES NOT EXCLUSIVE.—The exist-
- 15 ence of remedies under this Act shall not preclude
- 16 any person, who alleges that an action of a State
- 17 agency violates any of the provisions of this part,
- 18 from instituting a civil action or pursuing any
- 19 other remedies authorized under Federal, State, or
- 20 local law.
- 21 "DEMONSTRATION PROGRAMS
- 22 "SEC. 443. (a) AUTHORIZED USES OF FUNDS.—
- 23 Funds available to the Secretary under sections
- 24 432(b) (1) and (2) may be made available to States,
- 25 for use in conjunction with other resources, for
- 26 such purposes as—

"(1) demonstrations to test the effective-ness of arrangements under which private organizations will operate supported-work pro-grams to place participants in full-time jobs in the private sector, with the Federal subsidy of wages not to exceed 9 months, through performance-based contracts conditioned upon retention in such private sector employ-ment after the Federal subsidy ends:

"(2) demonstrating more effective methods of providing coordination and services to ensure long-term family self-sufficiency through community-based comprehensive family support services involving a partnership between the State work initiatives agency and community-based organizations having experience and demonstrated effectiveness in providing services; and

"(3) financial assistance to nonprofit community development corporations to demonstrate their effectiveness in creating employment opportunities for recipients and other low-income individuals.

24 "(b) STATE DEMONSTRATION PROGRAMS.—In 25 order to encourage States to develop innovative

education and training programs for children re-1 ceiving aid under State plans approved under sec-2 tion 402, any State may establish and conduct one or more demonstration projects, targeted to such children, designed to test financial incentives and interdisciplinary approaches to reducing school dropouts, encouraging skill development, and 7 avoiding welfare dependence; and the Secretary may make grants to States to assist in financing such projects. Demonstration projects under this 10 paragraph shall meet such conditions and require-11 ments as the Secretary shall prescribe, and no 12 such project shall be conducted for a period of less 13 than one year or more than 5 years. 14

15 "CHILD CARE REQUIREMENTS

"SEC. 444. (a) ASSESSMENT.—Prior to or in 16 conjunction with the expenditure of funds avail-17 able under section 432(a)(2) for child care for par-18 ticipants in the program, each State shall conduct 19 20 an assessment of the adequacy and appropriateness of child care resources in the State or par-21 ticular communities in the State to meet the child 22 care needs of participants in the program and 23 those of other families receiving family support supplements. Such assessments shall specifically 25 26 address the adequacy of resources available for

- 1 children in different age groups, including infants,
- 2 toddlers, preschool, and school-age children.
- 3 "(b) COORDINATION.—In order to encourage
- 4 and facilitate coordination in the delivery of child
- 5 care services, each State may provide that funds to
- 6 participants for child care services under section
- 7 402(g) may be available to supplement early child-
- 8 hood development programs within a State, in-
- 9 cluding Head Start programs, preschool programs
- 10 funded under chapter one of the Education Con-
- 11 solidation and Improvement Act of 1981, schools
- 12 and nonprofit child care programs (including
- 13 community based organizations receiving State or
- 14 local funds designated for preschool programs for
- 15 handicapped children), so as to extend these pro-
- 16 grams to provide full day, full year services to
- 17 children in participating families.
- 18 "(c) TRAINING OF CAREGIVERS.—Each State
- 19 shall institute a program to provide grants for
- 20 training child care personnel in areas such as
- 21 child growth and development, communication
- 22 with families, health and safety, instruction, and
- 23 administration and management. Child care per-
- 24 sonnel eligible for such training may include em-
- 25 ployees of child care centers as well as family day

- 1 care providers and others meeting the standards
- 2 enumerated in section 402(g)(1)(B) of this Act (as
- 3 amended by title II of the Family Welfare Reform
- 4 Act of 1987).
- 5 "(d) CHILD CARE SUPPLY.—Any State may
- 6 use funds provided under this part to institute a
- 7 program to provide grants to local nonprofit child
- 8 care programs to establish or renovate child care
- 9 centers and family day care homes which meet the
- 10 standards enumerated in section 402(g)(1)(B) of
- 11 this Act (as amended by title II of the Family Wel-
- 12 fare Reform Act of 1987) and which will be used to
- 13 serve participants in the other activities described
- 14 in section 436, including on-site or nearby child
- 15 care centers operated as part of the education,
- 16 training, or employment programs, as well as
- 17 other child care centers which will be used by pro-
- 18 gram participants. Such grants may also be made
- 19 available to local child care agencies (such as re-
- 20 source and referral programs) to recruit, train,
- 21 and provide other essential supports to new family
- 22 day care providers. These grants may also be used
- 23 to assist centers and family day care providers to
- 24 come into compliance with applicable health and
- 25 safety standards.

1	"(e) PROHIBITION OF RELAXATION OF CHILI
2	CARE LICENSING REQUIREMENTS.—No State shall
3	reduce the level of standards applicable to child
4	care provided within the State on the date of en
5	actment of the Family Welfare Reform Act of
6	1987.".
7	SEC. 102. RELATED SUBSTANTIVE AMENDMENTS.
8	(a) FEDERAL MATCHING RATES.—(1) Section
9	403(a) of the Social Security Act is amended by in
10	serting after paragraph (3) the following new
11	paragraph:
12	"(4) in the case of any State, an amoun
13	equal to 65 percent of the total amount ex
14	pended during such quarter (other than ad
15	ministrative expenditures) for the programs
16	established pursuant to section 416 and par
17	C; and".
18	(2) Section 403(a)(3) of such Act is amended—
19	(A) by striking out "and" after the
20	comma at the end of subparagraph (B);
21	(B) by redesignating subparagraph (C) as
22	subparagraph (D); and
23	(C) by inserting after subparagraph (B
24	the following new subparagraph:

1	"(C) one-half of so much of such ex-
2	penditures as are incurred in connection
3	with the administration of the programs
4	established under section 416 and part C,
5	and".
6	(b) DEMONSTRATION AUTHORITY: PROJECTS
7	TO TEST THE EFFECT OF EARLY CHILDHOOD DE-
8	VELOPMENT PROGRAMS, AND TO TEST THE ELIMI-
9	NATION OF THE 100-HOUR RULE UNDER THE
10	AFDE-UP PROGRAM.—Section 1115 of such Act is
11	amended—
12	(1) by inserting "(1)" before "In the case
13	of" in subsection (a);
14	(2) by striking out "(1) the Secretary"
15	and "(2) costs" in subsection (a) and insert-
16	ing in lieu thereof "(A) the Secretary" and
17	"(B) costs", respectively;
18	(3) by striking out subsection (b);
19	(4) by redesignating subsection (c) as
20	paragraph (2) of subsection (a), and in such
21	subsection as so redesignated by striking out
22	"subsection (a)", "(1)", "(2)", and "(3)" and
23	inserting in lieu thereof "paragraph (1)",
24	"(A)", "(B)", and "(C)", respectively; and

1	(5) by adding at the end thereof the fol-
2	lowing new subsection:
3	"(b) DEMONSTRATION PROGRAMS.—(1)(A) In
4	order to test the effect of in-home early childhood
5	development programs and preschool center-based
6	development programs (emphasizing the use of
7	volunteers and including academic credit for stu-
8	dent volunteers) on families receiving aid under
9	State plans approved under section 402 and par-
10	ticipating in the education, training, and work
11	program under section 416, up to 10 States may
12	undertake and carry out demonstration projects
13	utilizing such development programs to enhance
14	the cognitive skills and linguistic ability of chil-
15	dren under the age of 5, to improve the communi-
16	cations skills of such children, and to develop
17	their ability to read, write, and speak the English
18	language effectively. Such projects may include
19	parents along with their eligible children in
20	family-centered education programs that assist
21	children directly in achieving the goals stated in
22	the preceding sentence and also help parents con-
23	tribute to the proper development and education
24	of their young children. Demonstration projects

25 under this paragraph shall meet such conditions

- 1 and requirements as the Secretary shall prescribe,
- 2 and no such project shall be conducted for a
- 3 period of more than 3 years.
- 4 "(B) The Secretary shall consider all applica-
- 5 tions received from States desiring to conduct
- 6 demonstration projects under this paragraph,
- 7 shall approve up to 10 applications involving
- 8 projects which appear likely to contribute signifi-
- 9 cantly to the achievement of the purpose of this
- 10 paragraph, and shall make grants to the States
- 11 whose applications are approved to assist them in
- 12 carrying out such projects.
- 13 "(C) The Secretary shall submit to the Con-
- 14 gress with respect to each project undertaken by a
- 15 State under this paragraph, after such project has
- 16 been carried out for one year and again when such
- 17 project is completed, a detailed evaluation of the
- 18 project and of its contribution to the achievement
- 19 of the purpose of this paragraph.
- 20 "(2)(A) In order to permit States to test
- 21 whether (and the extent to which) eliminating the
- 22 100-hour rule under section 407, and requiring
- 23 parents under that section to accept any reasona-
- 24 ble job offers while preserving the eligibility of
- 25 their families for aid under the applicable State

- 1 plan approved under section 402, would effectively
- 2 encourage such parents to enter the permanent
- 3 work force and thereby significantly reduce pro-
- 4 gram costs, up to 5 States and localities may un-
- 5 dertake and carry out demonstration projects
- 6 under which—
- "(i) each parent receiving aid pursuant to section 407 is required to accept any reasonable full- or part-time job which is offered to him or her, without regard to the amount of the parent's resulting earnings as compared to the level of the family's aid under the applicable State plan, and
- "(ii) the family's eligibility under the 14 plan is preserved notwithstanding the par-15 ent's resulting earnings, so long as such earn-16 (after the application of section 17 ings 402(a)(8)) do not exceed the applicable State 18 standard of need, without regard to the 100-19 hour rule or any other durational standard 20 21 that might be applied in defining unemploy-22ment for purposes of determining such eligi-23 bility.
- "(B) The Secretary shall consider all applications received from States desiring to conduct

- 1 demonstration projects under this paragraph,
- 2 shall approve up to 5 applications involving
- 3 projects which appear likely to contribute signifi-
- 4 cantly to the achievement of the purpose of this
- 5 paragraph, and shall make grants to the States
- 6 whose applications are approved to assist them in
- 7 carrying out such projects.
- 8 "(C) Each demonstration project approved
- 9 under this paragraph shall provide for the pay-
- 10 ment of aid under the applicable State plan, as
- 11 though section 407 had been modified to reflect
- 12 the provisions of clauses (i) and (ii) of subpara-
- 13 graph (A) but shall otherwise be carried out in ac-
- 14 cordance with all of the requirements and condi-
- 15 tions of section 407 (and any related requirements
- 16 and conditions under part A of title IV); and each
- 17 such project shall meet such other requirements
- 18 and conditions as the Secretary shall prescribe.
- 19 "(3)(A) Any demonstration project under-
- 20 taken pursuant to this subsection—
- "(i) must be designed to improve the fi-
- 22 nancial well-being of families with children
- or otherwise improve the operation of the
- 24 program or programs involved; and

1	(ii) may not permit modifications in any
2	program which would have the effect of dis-
3	advantaging children in need.
4	"(B) There are authorized to be appropriated
5	such sums as may be necessary to enable the Sec-
6	retary to make grants with respect to the demon-
7	stration projects which are provided for under any
8	of the preceding paragraphs of this subsection
9	(and for which an authorization in specific dollar
10	amounts is not included in the paragraph
11	involved).".
12	SEC. 103. TECHNICAL AND CONFORMING AMENDMENTS.
13	(a) IN PART A OF TITLE IV.—(1) Section
14	402(a)(35) of such Act is repealed.
15	(2) Section 403(a)(3) of such Act is amended—
16	(A) by striking out all of subparagraph
17	(D) (as redesignated by section 102(a)(2) of
18	this Act) which follows "such expenditures"
19	and inserting in lieu thereof a comma; and
20	(B) by striking out all that follows "sec-
21	tion 2002(a) of this Act" in the matter follow-
22	ing such subparagraph and inserting in lieu
23	thereof "other than services furnished under
24	section 416 or under section 402(g); and".
25	(3) Section 403(c) of such Act is repealed.

- 1 (4) Section 403(d) of such Act is repealed.
- 2 (5) Section 407(b)(2)(A) of such Act is amend-
- 3 ed by striking out "will be certified" and all that
- 4 follows down through "within 30 days" and insert-
- 5 ing in lieu thereof "will participate or apply for
- 6 participation in the program established under
- 7 section 416 within 30 days".
- 8 (6) Section 407(b)(2)(C)(i) of such Act is
- 9 amended by striking out ", unless exempt" and all
- 10 that follows down through "is not registered" and
- 11 inserting in lieu thereof "is not currently partici-
- 12 pating in the program established under section
- 13 416, unless such parent is exempt under section
- 14 416(c)(3),".
- 15 (7) Section 407(c) of such Act is amended by
- 16 striking out "to certify such parent" and all that
- 17 follows and inserting in lieu thereof "to partici-
- 18 pate in the program established under section
- 19 416.".
- 20 (8) Section 407(d)(1) of such Act is amended
- 21 by striking out "under section 409" and all that
- 22 follows and inserting in lieu thereof "under sec-
- 23 tion 416(j);".
- 24 (9) Section 407(e) of such Act is repealed.
- 25 (10) Section 409 of such Act is repealed.

- 1 (11) Section 414 of such Act is repealed.
- 2 (b) IN OTHER PROVISIONS.—(1) Section
- 3 1108(b) of such Act is amended by striking out
- 4 "section 402(a)(19)" and inserting in lieu thereof
- 5 "section 416".
- 6 (2) Section 1902(a)(10)(A)(i)(I) of such Act is
- 7 amended by striking out "section 414(g)" and
- 8 inserting in lieu thereof "section 416(i)(6)".
- 9 (c) JOB TRAINING PARTNERSHIP ACT.—Section
- 10 102(a)(2) of the Job Training Partnership Act is
 - 1 amended by striking out "and" and inserting
- 12 before the period a comma and the following:
- 13 "and the State public assistance agency for admin-
- 14 istering part A of title IV of the Social Security
- 15 Act.".
- 16 SEC. 104. EFFECTIVE DATE.
- (a) AMENDMENTS TO SECTIONS 402 AND 1115.—
- 18 The amendments made by this title (other than the
- 19 amendments to part C of title IV of the Social Se-
- 20 curity Act) shall become effective October 1, 1989;
- 21 except that—
- 22 (1) if any State theretofore makes the
- changes in its State plan approved under sec-
- tion 402 of the Social Security Act which are
- 25 required in order to carry out such amend-

ments, and formally notifies the Secretary of 1 Health and Human Services of its desire to 2 become subject to such amendments as of the 3 first day of any calendar quarter beginning 4 on or after the date on which the proposed 5 regulations of the Secretary of Health and 6 Human Services are published under section 7 416 of such Act and before October 1, 1989, 8 such amendments shall become effective with 9 respect to that State as of such first day; and 10 (2) section 1115(b)(3) of the Social Secu-11 rity Act (as added by section 102(b) of this 12 Act) shall become effective October 1, 1987. 13 (b) Transition Provisions for Title IV-C 14 AMENDMENTS.—(1) The Secretary of Labor, from 15 funds appropriated for fiscal years 1988 and 1989

to carry out part C of title IV of the Social Security Act, is authorized to provide financial assistance under such part C (as amended by this Act),
in the same manner as such assistance was provided under such part C as in effect on the day before
the enactment of this Act, until September 30,
1989.

24 (2) Notwithstanding any other provision of 25 law, States may expend funds received under part

- 1 C of title IV of the Social Security Act during
- 2 fiscal years 1988 and 1989, in order to conduct any
- 3 activity deemed necessary to provide for an order-
- 4 ly transition to the operation, as of October 1,
- 5 1989, of programs under such part C.
- 6 (3) The provisions of this Act shall not affect
- 7 administrative or judicial proceedings pending on
- 8 the date of enactment of this Act.
- 9 (4) By July 1, 1988, the Secretary of Labor
- 10 shall have published in the Federal Register final
- 11 regulations governing the transition period ending
- 12 September 30, 1989 (as described in this subsec-
- 13 tion); and by April 1, 1989, the Secretary of Labor
- 14 shall have published in the Federal Register final
- 15 regulations governing the establishment of the
- 16 Fair Work Opportunities Program under part C of
- 17 title IV of the Social Security Act.
- 18 (5) Funds for carrying out part C of title IV of
- 19 the Social Security Act for fiscal year 1988 allocat-
- 20 ed to any State which were not obligated prior to
- 21 the end of such fiscal year, shall remain available
- 22 for obligation during fiscal year 1989. No reduc-
- 23 tion shall be made in the allocation for any State
- 24 from appropriations to carry out such part C for
- 25 fiscal year 1989 on account of the carryover of

- 1 such funds from fiscal year 1988 to fiscal year 2 1989.
- 3 (c) INITIAL STATE EVALUATIONS.—(1) With 4 the objective of—
- (A) providing an in-depth assessment of 5 the welfare population in each State, so as to 6 furnish an accurate picture on which to base 7 estimates of future demands for welfare serv-8 ices in conducting the program under this 9 10 part and to improve the efficiency of targeting and service allocation under such pro-11 12 gram,
 - (B) assuring that training for welfare recipients under such program will be realistically geared to labor market demands and that the program will produce individuals with marketable skills, while avoiding duplication and redundancy in the delivery of services, and
- 20 (C) otherwise assuring that States will
 21 have the information needed as a practical
 22 matter to carry out the purposes of this part,
 23 each State shall undertake and carry out an eval24 uation of its welfare population demographics
 25 within the 6-month period beginning on the date

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- 1 of the enactment of this Act. Such evaluation shall
- 2 be designed, undertaken, and carried out in each
- 3 State by an agency designated by the Governor of
- 4 that State.
- 5 (2) In carrying out the evaluation under sub-
- 6 section (a) the State shall give particular attention
- 7 to the current and anticipated demands of the
- 8 labor market or markets within the State, the
- 9 types of training which are needed to meet those
- 10 demands, and any changes in the current service
- 11 delivery systems which may be needed to satisfy
- 12 the requirements of this part.
- 13 (3) The evaluation shall be structured so as to
- 14 produce accurate and usable information (sepa-
- 15 rately stated for long-term, medium-term, and
- 16 short-term recipients in each category) on the age,
- 17 family status, educational and literacy levels, and
- 18 work experience of the individuals and families
- 19 within the welfare population in the State, includ-
- 20 ing the actual numbers of such individuals and
- 21 families in each such category.
- 22 (4) The Secretary of Labor shall provide each
- 23 State with such technical assistance and data as it
- 24 may need in order to carry out its evaluation
- 25 under subsection (a); and each State shall trans-

- 1 mit its evaluation to the Secretary of Labor by the
- 2 close of the 6-month period specified in that sub-
- 3 section. The Secretary of Labor shall transmit a
- 4 copy of such evaluation to the advisory committee
- 5 established under section 438(b)(1) of the Social
- 6 Security Act and to the Office of Technology As-
- 7 sessment for use in the preparation and review of
- 8 performance standards.
- 9 (5) The Secretary of Labor shall pay to each
- 10 State the sum of \$100,000 to assist that State in
- 11 designing and carrying out its evaluation under
- 12 this subsection; and of the total amount available
- 13 to the Secretary for fiscal year 1988 under section
- 14 432(b)(1) of title IV-C (as amended by this Act)
- 15 the sum of \$5,200,000 shall be available only for
- 16 this purpose.
- 17 (6) As used in this subsection, the term "wel-
- 18 fare population" with respect to any State means
- 19 collectively all individuals in such State who are
- 20 or could become recipients of family support
- 21 supplements under title IV, part A, of the Social
- 22 Security Act.

TITLE H-DAY CARE, TRANSPOR-TATION, AND OTHER WORK-RE-LATED EXPENSES SEC. 201. PAYMENT OF EXPENSES BY STATES. (a) IN GENERAL. (1) Section 402 of the Social Securi-5 ty Act is amended by adding at the end thereof the following new subsection: "(g)(1) Each State shall, for each family, either-8 "(A) provide day eare for each dependent child, 9 and incapacitated individual living in the same home as 10 a dependent child, receiving family support supple-11 ments and requiring such care, or 12 13 "(B) reimburse the earetaker relative in the family (by adjusting its family support supplements, in ad-14 vance whenever possible) for the costs of such care in-15 16 eurred in any month, if and to the extent that such care (or reimbursement for the 17 costs thereof) is determined by the State agency to be direct-18 ly related to an individual's participation in work, education, or training (including participation in the network program 20 under section 416), reasonably necessary for such participa-21 22 tion, and cost-effective. Amounts expended under the preced-23 ing provisions of this subsection (in providing day care directly, or in making reimbursement for the costs of such care

25 under contracts, certificates, or otherwise), to the extent that

1	such	amounts	do	not	execed	\$175	per	month	for	anv	ehild
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- 2 age 2 or over or \$200 per month for any infant under age 2,
- 3 shall be considered, for purposes of section 403(a)(1), to be
- 4 amounts expended as aid in the form of family support sup-
- 5 plements; except that no such amounts expended shall be so
- 6 considered unless the services involved meet applicable
- 7 standards of State and local law.
- 8 "(2) In the ease of an individual participating in the
- 9 network program under section 416 (including participation
- 10 in the form of job search under subsection (k) thereof), the
- 11 State (in addition to providing day care or reimbursing the
- 12 costs thereof as provided in paragraph (1)) shall reimburse
- 13 the participant (by adjusting the family support supplements,
- 14 in advance whenever possible) for transportation and other
- 15 work-related costs incurred in any month, up to the dollar
- 16 amount then in effect (for purposes of disregarding earned
- 17 income) under section 402(a)(8)(A)(ii).
- 18 "(3) The value of any day eare provided (or any amount
- 19 received as reimbursement for day care costs incurred) under
- 20 paragraph (1)—
- 21 "(A) shall not be treated as income of any person
- 22 for purposes of any other Federal or federally-support-
- 23 ed program which bases eligibility for or the amount of
- 24 benefits upon need, and

1	"(B) may not be claimed as an employment-relat-
2	ed expense for purposes of the credit under section 21
3	of the Internal Revenue Code of 1986.".

- (b) CONTINUATION AFTER ELIGIBILITY FOR FAMILY 4 SUPPORT SUPPLEMENTS CEASES. Section 402(g)(1) of such Act (as added by subsection (a) of this section) is amended by inserting after the first sentence the following new sentence: "The caretaker relative of any dependent child or ineapacitated individual whose family ceases to be eligible for family support supplements under the State plan as of the close of any month (if at that time the family has earnings or 11 is receiving child support) shall continue to be entitled to re-12 imbursement for the costs of any day care (subject to the 13 applicable dollar limitations specified in the succeeding sentence) which is determined by the State agency to be reasonably necessary for his or her employment, for a period of 12 months after the close of such month, under a sliding scale formula established by the State which shall be based on the family's ability to pay (and under which such applicable 19 dellar limitations are appropriately reduced to reflect such 20 ability).". 21
- 22 SEC. 202. DEVELOPMENT OF NEW CHILD CARE RESOURCES.
- The State agency administering the network program
 under section 416 of the Social Security Act shall regularly
 assess the availability and reliability of the child care services

1	which	are	available	to	participants	in	such	program,	and	shall
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- 2 take such action as may be necessary or appropriate to devel-
- 3 op new child care resources as the need may indicate.
- 4 SEC. 203. PAYMENT OF OTHER EXPENSES.
- 5 Section 402 of the Social Security Act (as amended by
- 6 section 201 of this Act) is further amended by adding at the
- 7 end thereof the following new subsection:
- 8 "(h) In addition to any amounts payable under subsec-
- 9 tion (g), any State may pay up to \$100 a month to partici-
- 10 pants in the network program under section 416 to cover
- 11 work expenses or other expenses which the State agency de-
- 12 termines to be appropriate.".
- 13 SEC 204 EFFECTIVE DATE
- 14 The amendments made by this title shall become effec-
- 15 tive October 1, 1987; except that section 402(g)(2) of the
- 16 Social Security Act (as added by section 201 of this Act)
- 17 shall become effective on the date on which the amendment
- 18 made by section 101(b) of this Act becomes effective.

TITLE III—REAL WORK

20 INCENTIVES

- 21 SEC. 301. CHANGES IN EARNED INCOME DISREGARDS.
- 22 (a) IN GENERAL.—Section 402(a)(8) of the Social Secu-
- 23 rity Act is amended to read as follows:

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1	"(8)(A) provide (subject to subsection (g)) that,
2	with respect to any month, in making the determina-
3	tion under paragraph (7), the State agency—
4	"(i) shall disregard all of the carned income
5	of each dependent child applying for or receiving

of each dependent child applying for or receiving family support supplements who is (as determined by the State in accordance with standards prescribed by the Secretary) a full-time student or a part-time student who is not a full-time employee attending a school, college, or university, or a course of vocational or technical training designed to prepare him for gainful employment;

"(ii) shall disregard from the earned income of any child or relative applying for or receiving family support supplements, or of any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, the first \$100 of the total of such carned income for such month;

"(iii) shall disregard from the earned income of any child or relative applying for or receiving family support supplements, or of any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, an amount equal to

1	25 percent of the total of such carned income not
2	disregarded under any other clause of this sub-
3	paragraph;
4	"(iv) shall disregard the first \$50 of any child
5	support payments received in such month with re-
6	speet to the dependent child or children in any
7	family applying for or receiving family support
8	supplements (including support payments collected
9	and paid to the family under section 457(b)); and
10	"(v) shall disregard any refund of Federal
11	income taxes made to a family applying for or re-
12	eciving family support supplements by reason of
13	section 32 of the Internal Revenue Code of 1986
14	(relating to earned income eredit) and any pay-
15	ment made to such a family by an employer under
16	section 3507 of such Act (relating to advance
17	payment of earned income eredit); and
18	"(B) provide that (with respect to any month) the
19	State agency shall not disregard, under clause (ii) or
20	(iii) of subparagraph (A), any earned income of any one
21	of the persons specified in subparagraph (A)(ii) if such
22	person
23	"(i) terminated his employment or reduced
24	his earned income without good cause within such
25	period (of not less than thirty days) preceding

1	such	month	as	may	be	prescribed	by	the	Secre-
2	tary;								

"(ii) refused without good cause, within such period preceding such month as may be prescribed by the Secretary, to accept employment in which he is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined by the State or local agency administering the State plan, after notification by the employer, to be a bona fide offer of employment; or

"(iii) failed without good cause to make a timely report (as prescribed by the State plan pursuant to paragraph (14)) to the State agency of carned income received in such month;".

(b) INCREASES IN AMOUNTS TO BE DISREGARDED.

Section 402 of such Act (as amended by the preceding provisions of this Act) is further amended by adding at the end thereof the following new subsection:

"(i)(1) Any State may at its option increase the dollar amount under clause (ii) or (iv) of subsection (a)(8)(A) or the percentage figure under clause (iii) of such subsection (or increase both of such dollar amounts, or either or both of such dollar amounts as well as such percentage figure), effective

- 1 on the first day of any calendar quarter beginning on or after
- 2 the date of the enactment of this subsection, so long as such
- 3 increase (or the combination of such increases) does not have
- 4 the effect of permitting a family to be eligible for supplements
- 5 under the plan for any month in violation of subsection
- $6 \frac{(a)(18)}{(a)}$
- 7 "(2) Whenever benefit amounts under title H are in-
- 8 creased by any percentage effective with any month as a
- 9 result of a determination made under section 215(i), the
- 10 dollar amount under subsection (a)(8)(A)(ii), as specified
- 11 therein or as previously increased under paragraph (1) of this
- 12 subsection or this paragraph, shall be increased by the same
- 13 percentage (and rounded, when not a multiple of \$1, to the
- 14 next lower such multiple), effective on the first day of the
- 15 following month; but no increase under this paragraph shall
- 16 be effective to the extent that it would permit a family to be
- 17 eligible for supplements under the plan for any month in vio-
- 18 lation of subsection (a)(18).".
- 19 (e) Conforming Amendments. (1) Section
- 20 402(a)(18) of such Act is amended by striking out "other
- 21 than paragraph $(8)(\Lambda)(v)$,".
- 22 (2) Section 402(a)(37) of such Act is repealed.

1	SEC. 302. GOVERNMENTAL PAYMENTS TO BE DISREGARDED
2	FOR PURPOSES OF SUPPORT AND MAINTE-
3	NANCE OF HOUSEHOLD TESTS.
4	Section 2 of the Internal Revenue Code of 1986 (relat-
5	ing to definitions and special rules) is amended by redesignat-
6	ing subsection (e) as subsection (f) and by inserting after sub-
7	section (d) the following new subsection:
8	"(e) GOVERNMENTAL PAYMENTS DISREGARDED IN
9	DETERMINING SUPPORT AND MAINTENANCE OF HOUSE-
10	HOLD. For purposes of this title, whenever it is neces-
11	sary—
12	"(1) to determine the extent to which the support
13	of an individual is provided by that individual, by a
14	taxpayer who has the same principal place of abode as
15	the individual (including determinations under section
16	152), or by the parents of the individual for purposes of
17	section 152(c)(1)(A), or
18	"(2) to determine whether a taxpayer is consid-
19	ered as maintaining a household (including determina-
20	tions under subsections (a), (b), and (e) of this section
21	and under sections 21 and 7703(b)),
22	any benefit provided under any Federal, State, or local gov-
23	ernmental assistance program used for the support of the in-
24	dividual or for maintenance of the household shall not be
25	taken into account.".

1 SEC. 303. EFFECTIVE DATE.

2	The amendments made by section 301 shall be effective
3 (on and after October 1, 1987. The amendments made by
4 :	section 302 shall apply with respect to taxable years ending

6 (TITLE IV TRANSITIONAL 7 SERVICES FOR FAMILIES

8 (SEC. 401. MEDICAID ELIGIBILITY.

on or after October 1, 1987.

(Section 402(a) of the Social Security Act (as amended by the preceding provisions of this Act) is further amended by inserting after paragraph (36) the following new paragraph:

("(37) provide that if any family ceases to receive family support supplements under the State planes of the close of any month (and at that time has

as of the close of any month (and at that time has earnings or is receiving child support), such family shall be treated for purposes of title XIX as continuing to receive such supplements for a period of 12 months after the close of such month; except that (A) this paragraph shall not apply if the family's eligibility for such supplements was terminated because of fraud or the imposition of a sanction, (B) the State may at its option extend such 12-month period for up to an additional 12 months, and (C) if at any time during such 12-month (or extended) period—

1	("(A) the family ceases to include a child
2	who is (or would if needy be) a dependent child,
3	Or
4	("(B) any member of the family terminates
5	his or her employment or reduces his or her
6	earned income without good cause or refuses
7	without good cause to accept employment, or fails
8	to cooperate with the State in establishing pater-
9	nity or obtaining support or other payments as re-
10	quired by paragraph (26)(B),
11	such period shall automatically end (as of the close of
12	the last month in which the family included such a
13	child or at the close of the month in which such termi-
14	nation, refusal, or failure occurred);".
15	(SEC. 402. EFFECTIVE DATE.
16	(The amendment made by section 401 shall apply with
17	respect to families that cease to be eligible for family support
18	supplements on or after October 1, 1987.)
19	TITLE IV—TRANSITIONAL MEDIC-
20	AID SERVICES FOR FAMILIES
21	SEC. 401. MEDICAID ELIGIBILITY.
22	(a) In General.—Title XIX of the Social Secu-
23	rity Act is amended by redesignating section 1921 as
24	section 1922 and by inserting after section 1920 the
25	following new section:

1	"EXTENSION OF MEDICAID BENEFITS
2	"SEC. 1921. (a) INITIAL 6-MONTH EXTENSION.—
3	"(1) REQUIREMENT.—Notwithstanding any
4	other provision of this title, each State plan ap-
5	proved under this title must provide that each
6	family which was receiving aid pursuant to a
7	plan of the State approved under part A of title
8	IV in at least 3 of the 6 months immediately
9	preceding the month in which such family be-
10	comes ineligible for such aid, because of hours
11	of, or income from employment of the care-
12	taker relative (as defined in subsection (e)),
13	shall, subject to paragraph (3) and without any
14	reapplication for benefits under the plan,
15	remain eligible for assistance under the plan
16	approved under this title during the immediate-
17	ly succeeding 6-month period in accordance
18	with this subsection.
19	"(2) NOTICE OF BENEFITS.—Each State, in
20	the notice of termination of aid under part A
21	of title IV sent to a family meeting the require-
22	ments of paragraph (1)—
23	"(A) shall notify the family of its
24	right to extended medical assistance under
25	this subsection and include in the notice a

1	description of the circumstances (described
2	in paragraph (3)) under which such exten-
3	sion may be terminated; and

"(B) shall include a card or other evidence of the family's entitlement to assistance under this title for the period provided in this subsection.

"(3) TERMINATION OF EXTENSION.—

"(A) NO DEPENDENT CHILD.—Subject to subparagraph (B), extension of assistance during the 6-month period described in paragraph (1) to a family shall terminate (during such period) at the close of the first month in which the family ceases to include a child who is (or would if needy be) a dependent child under part A of title IV; except that, with respect to a child who would cease to receive medical assistance because of this subparagraph but who may be eligible for assistance under the State plan because the child is described in clause (i) or (v) of section 1905(a), the State may not discontinue such assistance under this subparagraph until the State has determined that the

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child is not eligible for assistance under the plan.

"(B) Notice Before termination.—
No termination of assistance shall become
effective under subparagraph (A) until the
State has provided the family with notice
of the grounds for the termination.

"(4) SCOPE OF COVERAGE.—

"(A) IN GENERAL.—Subject to subparagraph (B), during the 6-month extension period under this subsection, the
amount, duration, and scope of medical assistance made available with respect to a
family shall be the same as if the family
were still receiving aid under the plan approved under part A of title IV.

"(B) State Medicaid 'Wrap-around'
Option.—A State, at its option, may pay a
family's expenses for premiums, deductibles, coinsurance, or similar costs for
health insurance or other health coverage
offered by an employer of the caretaker
relative or the absent parent of a dependent child. In the case of such coverage of-

1	fered by an employer of the caretaker rela-
2	tive—
3	"(i) the State may require the
4	caretaker relative, as a condition of
5	extension of coverage under this sub-
6	section, to make application for such
7	employer coverage, but only if—
8	"(I) the caretaker relative is
9	not required to make financial
10	contributions for such coverage
11	(whether through payroll deduc-
12	tion, payment of deductibles, coin-
13	surance, or similar costs, or other-
14	wise), and
15	"(II) the State provides, di-
16	rectly or otherwise, for payment
17	of any of the premium amount,
18	deductible, coinsurance, or similar
19	expense that the employee is oth-
20	erwise required to pay; and
21	"(ii) the State shall treat the cov-
22	erage under such an employer plan as
23	a third party liability (under section
24	1902(a)(25)).

Payments for coverage under this subparagraph shall be considered, for purposes of section 1903(a), to be payments for medical assistance.

"(b) MANDATORY 18-MONTH EXTENSION.—

"(1) REQUIREMENT.—Notwithstanding any other provision of this title, each State plan approved under this title shall provide that the State shall offer to each family, which has received assistance during the entire 6-month period under subsection (a) and which meets the requirement of paragraph (2)(B), in the last month of the period the option of extending coverage under this subsection for the succeeding 18-month period, subject to paragraph (3).

"(2) NOTICE OF OPTION.—

"(A) IN GENERAL.—Each State, during
the 3rd and 6th month of any extended assistance furnished to a family under subsection (a), shall notify the family of the
family's option for subsequent extended assistance under this subsection. Each such
notice shall include (i) a statement as to
whether any premiums are required for

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such extended assistance, and (ii) a description of other out-of-pocket expenses, benefits, reporting and payment procedures, and any pre-existing condition limitations, waiting periods, or other coverage limitations imposed under any alternative coverage options offered under paragraph (4)(D).

"(B) REPORTING OF EARNINGS QUIRED TO DETERMINE ANY PREMIUM.—If the State requires a premium for extended assistance under this subsection, the State may require (as a condition for extended assistance under this subsection) that a family receiving extended assistance under subsection (a) report to the State, not later than the 21st day of the 4th month in the period of extended assistance under subsection (a), on the family's gross monthly earnings (less the cost of day care for dependent children) in each of the first 3 months of that period; but such requirement shall only apply if the notice under subparagraph (A) during the 3rd month of

1	assistance describes the requirement of
2	this subparagraph.
3	"(C) 6TH MONTH NOTICE.—The notice
4	under subparagraph (A), furnished during
5	the 6th month of assistance under this
6	subsection, shall describe the amount of
7	any premium required of a particular
8	family for each of the first 3 months of
9	extended assistance under this subsection.
10	"(3) TERMINATION OF EXTENSION.—
11	"(A) IN GENERAL.—Subject to sub-
12	paragraphs (B) and (C), extension of as-
13	sistance during the 18-month period de-
14	scribed in paragraph (1) to a family shall
15	terminate (during the period) as follows:
16	"(i) NO DEPENDENT CHILD.—The
17	extension shall terminate at the close
18	of the first month in which the family
19	ceases to include a child who is (or
20	would if needy be) a dependent child
21	under part A of title IV.
22	"(ii) FAILURE TO PAY ANY PREMI-
23	UM.—If the family fails to pay any
24	premium for a month under paragraph
25	(5) by the 21st day of the following

month, the extension shall terminate	1
at the close of that following month	2
unless the individual has established	3
to the satisfaction of the State, good	4
cause for the failure to pay such pre	5
mium on a timely basis.	6
"(iii) QUARTERLY INCOME RE	7
PORTING AND TEST.—The extension	8
shall terminate at the close of the 1st	9
4th, 7th, 10th, 13th, or 16th month o	10
the 18-month period if—	11
"(I) the family fails to repor	12
to the State, by the 21st day o	13
such month, information on the	14
family's gross monthly earnings	15
(less the costs of day care for de	16
pendent children) in each of the	17
previous 3 months, unless the	18
family has established, to the sat	19
isfaction of the State, good cause	20
for the failure to report on c	21
timely basis; except that this sub	22
clause shall not apply unless the	23
State has notified the family, in	24
the month before the month in	25

which information is required to 1 be reported under this subclause, 2 of the reporting requirement of 3 this subclause: 4 "(II) the caretaker relative 5 6 had no earnings in one or more of the previous 3 months, unless 7 such lack of any earnings was due 8 to an involuntary loss of employ-9 ment, illness, or other good cause, 10 established to the satisfaction of 11 the State; or 12 "(III) the State determines 13 that the family's average gross 14 15 monthly earnings (less costs of day care for dependent children) 16 during the immediately preceeding 17 3-month period exceeds 185 per-18 cent of the official poverty line 19 (as defined by the Office of Man-20 agement and Budget, and revised 21 annually in accordance with sec-22 tion 673(2) of the Omnibus Budget 23

Reconciliation Act of 1981) appli-

1	cable to a family of the size
2	involved.
3	Instead of terminating a family's ex-
4	tension under clause (I), a State, at its
5	option, may provide for suspension of
6	the extension until the month after
7	the month in which the family reports
8	information required under that sub-
9	clause, but only if the family's exten-
10	sion has not otherwise been termi-
11	nated under subclause (II) or (III).
12	Information described in clause (iii)(I)
13	shall be subject to the restrictions on use
14	and disclosure of information provided
15	under section 402(a)(9). The State shall
16	make determinations under clause (iii)(III)
17	for a family each time a report described
18	in clause (iii)(I) for the family is received.
19	"(B) NOTICE BEFORE TERMINATION.—
20	No termination of assistance shall become
21	effective under subparagraph (A) until the
22	State has provided the family with notice
23	of the grounds for the termination, which
24	notice shall include (in the case of termi-
25	nation under subparagraph (A)(iii)(II), re-

1	lating to no continued earnings) a descrip-
2	tion of how the family may reestablish eli-
3	gibility for medical assistance under the
4	State plan.
5	"(C) CONTINUATION IN CERTAIN
6	CASES UNTIL REDETERMINATION.—
7	"(i) DEPENDENT CHILDREN.—
8	With respect to a child who would
9	cease to receive medical assistance be-
10	cause of subparagraph $(A)(i)$ but who
11	may be eligible for assistance under
12	the State plan because the child is de-
13	scribed in clause (i) or (v) of section
14	1905(a), the State may not discontinue
15	such assistance under such subpara-
16	graph until the State has determined
17	that the child is not eligible for assist-
18	ance under the plan.
19	"(ii) MEDICALLY NEEDY.—With
20	respect to an individual who would
21	cease to receive medical assistance be-
22	cause of clause (ii) or (iii) of subpara-
23	graph (A) but who may be eligible for

assistance under the State plan be-

cause the individual is within a cate-

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1	gory of person for which medical as-
2	sistance under the State plan is avail-
3	able under section 1902(a)(10)(C) (re-
4	lating to medically needy individuals),
5	the State may not discontinue such as-
6	sistance under such subparagraph
7	until the State has determined that the
8	individual is not eligible for assistance
9	under the plan.
10	"(4) COVERAGE.—
11	"(A) In General.—During the exten-
12	sion period under this subsection—
13	"(i) the State plan shall offer to
14	each family medical assistance which
15	(subject to subparagraphs (B) and (C))
16	is the same amount, duration, and
17	scope as would be made available to
18	the family if it were still receiving aid
19	under the plan approved under part A
20	of title IV; and
21	"(ii) the State plan may offer al-
22	ternative coverage described in sub-
23	paragraph (D).
24	"(B) ELIMINATION OF MOST NON-
25	ACUTE CARE BENEFITS.—At a State's

option and notwithstanding any other provision of this title, a State may choose not to provide medical assistance under this subsection with respect to any (or all) of the items and services described in paragraphs (4)(A), (6), (7), (8), (11), (13), (14), (15), (16), (18), (20), and (21) of section 1905(a).

"(C) STATE MEDICAID 'WRAP-AROUND'

OPTION.—At a State's option, the State
may elect to apply the option described in
subsection (a)(4)(B) (relating to 'wraparound' coverage) for families electing
medical assistance under this subsection
in the same manner as such option applies
to families provided extended medical
assistance under subsection (a).

"(D) ALTERNATIVE ASSISTANCE.—At a
State's option, instead of the medical assistance otherwise made available under
this subsection the State may offer families a choice of health care coverage under
one of more of the following:

"(i) ENROLLMENT IN FAMILY

OPTION OF EMPLOYER PLAN.—Enroll-

1	ment of the caretaker relative and d	e-
2	pendent children in a family option	of
3	the group health plan offered to the	he
4	caretaker relative.	
5	"(ii) Enrollment in famil	$\mathbf{L} \boldsymbol{Y}$
6	OPTION OF STATE EMPLOYEE PLAN.	_
7	Enrollment of the caretaker relati	ve
8	and dependent children in a fami	ly
9	option within the options of the grou	up
10	health plan or plans offered by t	he
11	State to State employees.	
12	"(iii) Enrollment in state u	N-
13	INSURED PLAN.—Enrollment of to	he
14	caretaker relative and dependent ch	il-
15	dren in a basic State health plan d	f-
16	fered by the State to individuals in t	he
17	State (or areas of the State) otherwi	se
18	unable to obtain health insurance co	v-
19	erage.	
20	"(iv) ENROLLMENT IN HMO.—E	n-
21	rollment of the caretaker relative ar	id
22	dependent children in a health maint	<i>e</i> -
23	nance organization (as defined in se	c-
24	tion $1903(m)(1)(A)$) less than 50 pe	r-
25	cent of the membership (enrolled on	a

prepaid basis) of which consists of individuals who are eligible to receive benefits under this title (other than because of the option offered under this clause). The option of enrollment under this clause is in addition to, and not in lieu of, any enrollment option that the State might offer under subparagraph (A)(i) with respect to receiving services through a health maintenance organization in accordance with section 1903(m).

If a State elects to offer an option to enroll a family under this subparagraph, the State shall pay any premiums and other costs for such enrollment imposed on the family. A State's payment of premiums for the enrollment of families under this subparagraph (not including any premiums otherwise payable by an employer and less the amount of premiums collected from such families under paragraph (5)) shall be considered, for purposes of section 1903(a)(1), to be payments for medical assistance.

1	"(E) OPEN ENROLLMENT.—If a State
2	offers an alternative option under subpara-
3	graph (D) to families, the State must offer
4	such families the option of enrolling or
5	disenrolling in such an option during a one
6	month period each year without cause and,
7	in the case of enrollment under clause (iii)
8	or (iv) of such subparagraph, the option of
9	disenrolling from the organization or plan
10	for cause at any time.
11	"(F) PROHIBITION ON COST-SHARING
12	FOR MATERNITY AND PREVENTIVE PEDIAT-
13	RIC CARE.—
14	"(i) In General.—If a State offers
15	an alternative option under subpara-
16	graph (D) for families, under the
17	option the State must assure that care
18	described in clause (ii) is available
19	without charge to the families
20	through—
21	"(I) payment of any deducti-
22	bles, coinsurance, or other cost-
23	sharing respecting such care, or

1	"(II) providing coverage
2	under the State plan for such care
3	without any cost-sharing,
4	or any combination of such mecha-
5	nisms.
6	"(ii) CARE DESCRIBED.—The care
7	described in this clause consists of—
8	"(I) services related to preg-
9	nancy (including prenatal, deliv-
10	ery, and post partum services), and
11	"(II) ambulatory preventive
12	pediatric care (including ambula-
13	tory early and periodic screening,
14	diagnosis, and treatment services
15	under section $1905(a)(4)(B)$) for
16	each child who meets the age and
17	date of birth requirements to be a
18	qualified child under section
19	1905(n)(2).
20	"(5) PREMIUM.—
21	"(A) PERMITTED.—Notwithstanding
22	any other provision of this title (including
23	section 1916), a State may impose a premi-
24	um for a family for extended coverage

1	under this subsection, which premium may
2	vary by family size.
3	"(B) LEVEL MAY VARY BY OPTION OF-
4	FERED.—The level of such premium may
5	vary, for the same family, for each option
6	offered by a State under paragraph (4)(C).
7	"(C) LIMIT ON PREMIUM.—In no case
8	may the amount of any premium under
9	this paragraph for a family for a month in
10	one of the premium payment periods de-
11	scribed in subparagraph (D)(ii) exceed 10
12	percent of the amount by which—
13	"(i) the family's average gross
14	monthly earnings (less the costs of
15	day care for dependent children,
16	during the premium base period (as
17	defined in $subparagraph$ $(D)(iii)),$
18	exceeds
19	"(ii) the monthly minimum wage
20	earnings (as defined in subparagraph
21	(D)(i)) for the period.
22	"(D) DEFINITIONS.—In subparagraph
23	(C):
24	"(i) The term 'monthly minimum
25	wage earnings' means the average

1	amount of earnings which one person
2	would earn during a month in the
3	period if the person were employed for
4	8 hours on each weekday in the month
5	and was paid the minimum wage rate
6	provided under section 6(a) of the Fair
7	Labor Standards Act of 1938.
8	"(ii) A 'premium payment period'
9	described in this clause is a 3-month
10	period beginning with the 1st, 4th, 7th,
11	10th, 13th, or 16th month of the 18-
12	month extension period provided
13	under this subsection.
14	"(iii) The term 'premium base
15	period' means, with respect to a par-
16	ticular premium payment period, the
17	period of 3 consecutive months the
18	last of which is 4 months before the
19	beginning of that premium payment
20	period.
21	"(c) APPLICABILITY IN STATES AND TERRITO-
22	RIES.—
23	"(1) STATES OPERATING UNDER DEMON-
24	STRATION PROJECTS.—In the case of any State
25	which is providing medical assistance to its

- residents under a waiver granted under section

 1115(a), the Secretary shall require the State to
- meet the requirements of this section in the
- 4 same manner as the State would be required to
- 5 meet such requirement if the State had in
- 6 effect a plan approved under this title.
- 7 "(2) INAPPLICABILITY IN COMMON-
- 8 WEALTHS AND TERRITORIES.—The provisions
- 9 of this section shall only apply to the 50 States
- 10 and the District of Columbia.
- 11 "(d) GENERAL DISQUALIFICATION FOR
- 12 FRAUD.—This section shall not apply to an individ-
- 13 ual who is a member of a family if the individual's
- 14 eligibility for aid was terminated because of fraud
- 15 or the imposition of a sanction.
- 16 "(e) CARETAKER RELATIVE DEFINED.—In this
- 17 section, the term 'caretaker relative' has the mean-
- 18 ing of such term as used in part A of title IV.".
- 19 (b) CONFORMING AMENDMENTS.—(1) Section
- 20 1902(e)(1) of such Act (42 U.S.C. 1396a(e)(1)) is
- 21 amended by striking "Notwithstanding" and all that
- 22 follows through the end and inserting the following:
- 23 "For provision relating to extension of coverage for
- 24 certain families which have received aid pursuant to

- 1 a State plan approved under part A of title IV and
- 2 which have earned income, see section 1921.".
- 3 (2) Section 1905(a) of such Act (42 U.S.C.
- 4 1396d(a)) is amended by striking "or" at the end of
- 5 clause (vii), by inserting "or" at the end of clause
- 6 (viii), and by inserting after clause (viii) the follow-
- 7 ing new clause:
- 8 "(ix) individuals provided extended bene-
- 9 fits under section 1921,".
- 10 (c) WAIVER.—Upon approval of the demonstra-
- 11 tion project relating to the Family Independence
- 12 Program in the State of Washington under section
- 13 807 of this Act (as added by the amendment reported
- 14 by the Committee on Ways and Means to H.R. 1720)
- 15 and with respect to such project, the Secretary of
- 16 Health and Human Services shall waive compliance
- 17 with any requirements of sections 1902(a)(1), 1916,
- 18 and 1921 of the Social Security Act, but only to the
- 19 extent necessary to enable the State to carry out the
- 20 project as enacted by the State of Washington in
- 21 May 1987.
- 22 SEC. 402. EXTENSION DUE TO COLLECTION OF CHILD OR SPOUS-
- 23 AL SUPPORT.
- 24 (a) IN GENERAL.—Section 1902(e)(1) of the
- 25 Social Security Act (42 U.S.C. 1396a(e)(1)) is

- 1 amended by inserting "(A)" after "(e)(1)" and by
- 2 adding at the end the following new subparagraph:
- 3 "(B) Notwithstanding any other provision of
- 4 this title, each dependent child, and each relative
- 5 with whom such a child is living (as such terms are
- 6 defined in part A of title IV, and including the
- 7 spouse of such a relative as described in section
- 8 406(b)), who—
- 9 "(i) becomes ineligible for aid under part A
- of title IV as a result (wholly or partly) of the
- 11 collection or increased collection of child or
- spousal support under part D of such title, and
- 13 "(ii) has received such aid in at least three
- of the six months immediately preceding the
- month in which such ineligibility begins,
- 16 shall be deemed, for purposes of this title, to be a
- 17 recipient of aid under part A of title IV for an addi-
- 18 tional 6 calendar months beginning with the month
- 19 in which such ineligibility begins.".
- 20 (b) CONSTRUCTION.—Section 1902(h) of such
- 21 Act (42 U.S.C. 1396a(h)) is amended by inserting
- 22 "(1)" after "(h)" and by adding at the end the fol-
- 23 lowing new paragraphs:
- 24 "(2) Nothing in section 417(a)(1) shall be con-
- 25 strued as requiring or authorizing a case manager

- 1 assigned under such section to conduct any activi-
- 2 ties with respect to medical assistance furnished (or
- 3 which may be furnished) under this title.
- 4 "(3) Any individual who would be receiving aid
- 5 under part A of title IV but for section 417(b)(1)(A)
- 6 shall be considered, for purposes of this title, to be
- 7 receiving such aid.".
- 8 SEC. 403. EFFECTIVE DATE.
- 9 (a) IN GENERAL.—The amendments made by
- 10 this title shall apply (except as provided under sub-
- 11 section (b)) to payments under title XIX of the
- 12 Social Security Act for calendar quarters beginning
- 13 on or after January 1, 1988 (without regard to
- 14 whether regulations to implement such amendments
- 15 are promulgated by such date), with respect to fami-
- 16 lies that cease to be eligible for aid under part A of
- 17 title IV of the Social Security Act on or after such
- 18 *date*.
- 19 (b) DELAY.—In the case of a State plan for med-
- 20 ical assistance under title XIX of the Social Security
- 21 Act which the Secretary of Health and Human Serv-
- 22 ices determines requires State legislation (other
- 23 than legislation appropriating funds) in order for
- 24 the plan to meet the additional requirements im-
- 25 posed by the amendments made by this title, the

1 &	State 1	olan	shall	not	be	regarded	as	failing	to	complu
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- 2 with the requirements of title XIX of such Act solely
- 3 on the basis of its failure to meet these additional
- 4 requirements before the first day of the first calen-
- 5 dar quarter beginning after the close of the first reg-
- 6 ular session of the State legislature that begins after
- 7 the date of the enactment of this Act.

8 TITLE V—CHILD SUPPORT

ENFORCEMENT AMENDMENTS

- 10 SEC. 501. STATE GUIDELINES FOR CHILD SUPPORT AWARD
- 11 AMOUNTS.

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- 12 (a) AUTOMATIC UPDATING OF GUIDELINES. The first
- 13 sentence of section 467(a) of the Social Security Act is
- 14 amended by inserting before the period at the end thereof the
- 15 following: ", along with procedures for the periodic review
- 16 and automatic updating of all child support orders so as to
- 17 ensure that (taking into account any changes which may have
- 18 occurred in the absent parent's financial situation and in
- 19 other circumstances) they remain in full compliance with
- 20 such guidelines".
- 21 (b) Guidelines To Be Mandatory.—Section 467(b)
- 22 of such Act is amended by striking out "but need not be
- 23 binding upon such judges or other officials" and inserting in
- 24 lieu thereof "and shall be uniformly applied in determining

- 1 (and updating) awards under all child support orders issued or
- 2 modified within such State".

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- 3 (e) STATE LAW REQUIREMENTS. Section 466(a) of
- 4 such Act is amended by inserting immediately after para-
- 5 graph (9) the following new paragraph:

requirements of the State.

- 6 "(10)(A) Procedures requiring the uniform appli7 eation of the guidelines established under section 467,
 8 and the periodic updating of child support awards in
 9 accordance with that section (subject to subparagraph
 10 (B)), in full compliance with all procedural due process
 - "(B) The State must send advance notice to the absent parent regarding the updating of any child support award, detailing the steps the absent parent should take if he or she desires to contest the amount of the updated award on the grounds that it is not proper. If the absent parent contests the award on those grounds, the appropriate official of the State shall reconsider the amount of the award and shall (within no more than 45 days after the provision of such advance notice) inform the absent parent of the final result."
- 23 SEC. 502 ESTABLISHMENT OF PATERNITY.
- 24 (a) In General. (1) Section 466(a)(5) of the Social
- 25 Security Act is amended to read as follows:

1	"(5) Procedures which require the establishment
2	of the paternity of every child within the State, at
3	birth to the extent possible but in any event prior to
4	such child's eighteenth birthday.".
5	(2) Section 466(a)(5) of such Act, as enacted in section
6	3(b) of the Child Support Enforcement Amendments of 1984
7	and as amended by paragraph (1) of this subsection, applies
8	with respect to any child who had not attained age 18 on the
9	date of the enactment of such Amendments.
10	(b) Costs of Paternity Determinations Ex-
11	CLUDED IN COMPUTING INCENTIVE PAYMENTS. Section
12	458(e) of such Act is amended—
13	(1) by inserting "(1)" after "(e)";
14	(2) by redesignating paragraphs (1) and (2) as sub-
15	paragraphs (A) and (B), respectively;
16	(3) by striking out the last sentence; and
17	(4) by adding at the end thereof the following new
18	paragraph:
19	"(2) In computing incentive payments under this sec-
20	tion, the costs of making paternity determinations (to the
21	extent that the State can affirmatively demonstrate that they
22	are actually costs of paternity determination and not costs of
23	ehild support enforcement) shall be excluded from the State's
24	combined FSP/non-FSP administrative costs.".

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1	SEC. 503. DEMONSTRATION PROJECTS TO ADDRESS VISITA-
2	TION PROBLEMS.
3	Section 1115 of the Social Security Act (as amended by
4	section 102(d) of this Act) is further amended by adding at
5	the end thereof the following new subsection:
6	"(e)(1) In order to encourage States to identify the prob-
7	lems arising in connection with visitation by absent parents,
8	to determine the magnitude of such problems, and to test
9	possible solutions thereto (including but not limited to the
10	ereation of special staffs of mediators to deal with disputes
11	involving court-ordered child access privileges), any State
12	may establish and conduct one or more demonstration
13	projects in accordance with such terms, conditions, and re-
14	quirements as the Secretary shall prescribe. No such project
15	shall be conducted for a period of more than 3 years.
16	"(2) The Secretary may make grants to any State, in
17	amounts not exceeding \$5,000,000 per year, to assist in fi-
18	nancing the project or projects established by such State
19	under this subsection.".
20	SEC. 504. DISREGARDING OF CHILD SUPPORT PAYMENTS FOR
21	FSP PURPOSES.
22	Clause (iv) of section 402(a)(8)(A) of the Social Security
23	Act (as amended by section 301(a) of this Act) is further
24	amended—
25	(1) by striking out "the first \$50" and inserting in
26	lieu thereof "the first \$100"; and

1	(2) by striking out "of any child support payments
2	received in such month" and inserting in lieu thereof
3	the following: "of any child support payment received
4	in such month which was due for that month, and the
5	first \$100 of any child support payment received in
6	such month which was due for a prior month if such
7	payment was timely made when due by the absent
8	parent,".
9	SEC. 505. REQUIREMENT OF PROMPT STATE RESPONSE TO RE-
10	QUESTS FOR CHILD SUPPORT ASSISTANCE.
11	Section 452 of the Social Security Act is amended by
12	adding at the end thereof the following new subsection:
13	"(g) The standards required by subsection (a)(1) shall
14	establish time limits governing the period or periods within
15	which a State must (1) respond to requests for assistance in
16	locating absent parents or establishing paternity, and (2)
17	begin proceedings to establish child support awards. The
18	Secretary shall take such actions as may be necessary to
19	ensure that all States observe and comply with the time
20	limits so established.''.
21	SEC. 506. AUTOMATED TRACKING AND MONITORING SYSTEMS
22	MADE MANDATORY.
23	(a) In General. Section 454(16) of the Social Secu-
24	rity Act is amended—
25	(1) by striking out "at the option of the State.":

1	(2) by striking out "(I)" in clause (A)(i) and in-
2	serting in lieu thereof "(I) the extent of compliance
3	with all child support orders issued or modified in the
4	State, (II)"; and
5	(3) by redesignating subdivisions (II), (III), and
6	(IV) in such clause as subdivisions (III), (IV), and (V),
7	respectively.
8	(b) EFFECTIVE DATE. The amendments made by sub-
9	section (a) shall become effective 2 years after the date of the
10	enactment of this Act.
11	SEC. 507. COSTS OF INTERSTATE ENFORCEMENT DEMONSTRA-
12	TIONS EXCLUDED IN COMPUTING INCENTIVE
13	PAYMENTS.
14	Section 458(e)(2) of the Social Security Act (as added
15	by section 502(b) of this Act) is amended by inserting imme-
16	diately before "shall be excluded" the following: ", and any
17	amounts expended by the State in earrying out a special
18	project assisted under section 455(e),":
19	SEC. 508. EFFECTIVE DATE.
20	Except to the extent otherwise specifically indicated,
21	the amendments made by this title shall become effective on
22	the first day of the first calendar quarter which begins one
23	vear or more after the date of the enactment of this Act.

TITLE VI PRO-FAMILY WEI 1 POLICIES 2 3 SEC. 601. REQUIREMENT THAT AID BE PROVIDED WITH RE-4 SPECT TO DEPENDENT CHILDREN IN 5 PARENT FAMILIES. 6 (a) In General.—Section 402(a) of the Social Security 7 Act is amended— 8 (1) by striking out "and" after the semicolon at 9 the end of paragraph (38); 10 (2) by striking out the period at the end of paragraph (39) and inserting in lieu thereof "; and"; and 11 (3) by inserting immediately after paragraph (39) 12 the following new paragraph: 13 "(40) provide that payments of family support 14 supplements will be made under the plan with respect 15 to dependent children of unemployed parents, in ac-16 17 eordance with section 407.". 18 (b) Conforming Amendments.—(1) Section 407(b) of such Act is amended by striking out "(b) The provisions" and 19 all that follows down through "(1) requires" and inserting in 20 21 lieu thereof the following: "(b) In providing for the payment of family support sup-22plements under the State's plan approved under section 402 23 in the ease of families which include dependent children

- 1 within the meaning of subsection (a) of this section, as
- 2 required by section 402(a)(40), the State's plan—
- 3 "(1) shall require".
- 4 (2) Section 407(b)(2) of such Act is amended by striking
- 5 out "provides " and inserting in lieu thereof "shall
- 6 provide -".
- 7 (e) Quarters of Work Based on Education or
- 8 Training. (1) Section 407(d)(1) of such Act (as amended
- 9 by section 103(a)(10) of this Act) is further amended—
- 10 (A) by inserting "(A)" after "means a calendar

 11 quarter"; and
- 12 (B) by inserting before the semicolon at the end
- 13 thereof the following: ", or (B) if the State plan so pro-
- 14 vides (but subject to the last sentence of this subsec-
- 15 tion), in which such individual (i) was in regular full-
- 16 time attendance as a student at an elementary or sec-
- ondary school, (ii) was in regular full-time attendance
- in a course of vocation or technical training designed
- 19 to fit him or her for gainful employment, or (iii) partici-
- 20 pated in an education or training program established
- 21 under the Job Training Partnership Act".
- 22 (2) Section 407(d) of such Act is further amended by
- 23 adding at the end thereof (after and below paragraph (4)) the
- 24 following new sentence:

- 1 "No individual shall be eredited during his or her lifetime (for
- 2 purposes of subsection (b)(1)(C)(i)) with more than 4 'quarters
- 3 of work' based on attendance in a course or courses of voca-
- 4 tional or technical training as described in paragraph (1)(B)(ii)
- 5 of this subsection.".
- 6 (3) Section 407(b)(1)(C)(i) of such Act is amended by
- 7 inserting after "6 or more quarters of work (as defined in
- 8 subsection (d)(1))" the following: ", including 2 or more quar-
- 9 ters of work as defined in subsection (d)(1)(A);".
- 10 (d) Effective Date.—The amendments made by this
- 11 section shall become effective January 1, 1989.
- 12 SEC. 602. SPECIAL PROVISIONS FOR FAMILIES HEADED BY
- 13 MINOR PARENTS.
- 14 (a) Case Management Services; Living Arrange-
- 15 MENTS AND PAYMENTS OF AID.—(1) Section 402(a) of the
- 16 Social Security Act is amended by inserting after paragraph
- 17 (28) the following new paragraph:
- 18 "(29) provide for the assignment of a case manag-
- er to each family receiving family support supplements
- 20 under the plan which is headed by a minor parent, as
- 21 described in section 417, and include the other provi-
- sions and conditions required by that section;".
- 23 (2) Part A of title IV of such Act (as amended by sec-
- 24 tion 101(b) of this Act) is further amended by adding at the
- 25 end thereof the following new section:

1	"SPECIAL	PROVISIONS	EOD	DAMILIE	HEADED	DV	MINOD
1	OI ECIAL	<u>ANDIGITONO</u>	TUIT	TAMILLIES	HUADED	DT	WITHOUT

2 PARENTS

"SEC. 417. (a)(1) The State agency shall assign an indi-3 vidual case manager to each family receiving family support supplements under the plan which is headed by a minor 5 parent. The ease manager so assigned shall be responsible for 6 assuring that the family receives and effectively uses all of the aid and services which are available to it under the plan and under related laws and programs, and for supervising and monitoring the provision and use of such aid and serv-10 ices. Each case manager assigned under this subsection shall 11 maintain a cascload sufficiently small to assure the provision 12 of intensive services to and close supervision of the families 13 to which he or she is assigned. 14

"(2) If the family is participating in the program under section 416, only one ease manager shall be assigned to perform all ease management functions for the family.

18 "(b)(1)(A) Each family headed by an unmarried minor 19 parent shall be required to live with a parent, legal guardian, or other adult relative of such minor parent or in a foster 20home, maternity home, or other supportive living arrange-21 ment, except to the extent that the State agency determines 22 that it is impossible or inappropriate to do so (as more par-23 ticularly described in subparagraph (B)). The ease manager 24assigned to the family may in any event require that pay-25

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1	ments of family support supplements with respect to the
2	family be made when appropriate to a third party in the
3	manner described in section 406(b)(2) (which in such a case
4	shall be without regard to clauses (A) through (D) thereof)
5	and if the minor parent is not living under adult supervision,
6	and an appropriate relative or other representative payed
7	eannot be found, the ease manager may serve as representa-
8	tive payee.
9	"(B) The State agency may determine that it is impossi-
0	ble or inappropriate for a minor parent to live with a parent
1	or legal guardian if—
2	"(i) the minor parent has no living parent or legal
13	guardian whose whereabouts are known;
4	"(ii) the health or safety of the minor parent or
15	the child would be jeopardized if they lived with the
16	parent or guardian, or the living conditions of the
7	parent or guardian are overcrowded;
18	"(iii) the parent or guardian refuses to allow the
.9	minor parent and child to live in his or her home; or
20	"(iv) the minor parent has lived apart from the
21	parent or guardian for at least a year prior to the birth
22	of the child or prior to making application for supple-
23	ments under the plan.
24	"(2) In any case where the parent with whom the minor
25	parent is living is also eligible for family support supplements

- 1 (by reason of the presence in the household of one or more
- 2 other children of such parent), the State must provide (not-
- 3 withstanding paragraph (38)) that the minor parent and the
- 4 minor parent's child or children constitute a family unit sepa-
- 5 rate from that of the minor parent's parent and such other
- 6 children.
- 7 "(c) The State may at its option (1) require school at-
- 8 tendance by the minor parent on a part-time basis as a condi-
- 9 tion of such parent's eligibility for aid under the State plan,
- 10 or (2) require that the minor parent participate in training in
- 11 parenting and family living skills, including nutrition and
- 12 health education, as a condition of such eligibility (without
- 13 regard to the age of the child or children); but in either case
- 14 only if and to the extent that day care for the child or chil-
- 15 dren (meeting applicable standards of State and local law) is
- 16 guaranteed (and is guaranteed within the applicable dollar
- 17 limitations set forth in section 402(g) if the child or any of the
- 18 children is below 3 years of age).
- 19 "(d) Amounts expended by a State under this section in
- 20 providing ease management services with respect to families
- 21 headed by minor parents shall be considered, for purposes of
- 22 section 403(a)(3)(C), to be expenditures for the proper and
- 23 efficient administration of the State plan; except that in ap-
- 24 plying such section 403(a)(3)(C) with respect to such amounts
- 25 the term 'one-half' shall be revised to read '75 percent'.".

1	(b) REFEAL OF I-ROVISION ATTRIBUTING GRANDPAR-
2	ENT'S INCOME TO DEPENDENT CHILD IN MINOR PARENT
3	FAMILY. Section 402(a) of such Act is further amended by
4	striking out paragraph (39).
5	(e) EFFECTIVE DATE.—The amendments made by this
6	section shall become effective on October 1, 1987.
7	TITLE VII—BENEFIT
8	IMPROVEMENTS
9	SEC. 701. PERIODIC RE-EVALUATIONS OF NEED AND PAY-
10	MENT STANDARDS.
11	Section 402 of the Social Security Act (as amended by
12	the preceding provisions of this Act) is further amended by
13	adding at the end thereof the following new subsection:
14	"(j) Each State shall annually re-evaluate its need
15	standard and its payment standard under the family support
16	program under this part, giving particular attention to wheth-
17	er or not the amount which it has assumed to be necessary
18	for shelter, in setting such standards, is adequate in the light
19	of current housing costs in the State and in different regions
20	within the State. The result of each such re-evaluation shall
21	be reported by the State to the Secretary, to the Congress,
22	and to the public.".

1	SEC. 702. ENCOURAGEMENT OF STATES TO INCREASE FSP
2	BENEFIT LEVELS.
3	(a) In General. Section 403 of the Social Security
4	Act is amended by adding at the end thereof the following
5	new subsection:
6	"(k)(1) In the ease of any State which, after Septem-
7	ber 30, 1987, increases the level of the family support
8	supplements which are payable under its approved State
9	plan, the percentage of the total amount expended during any
10	quarter as family support supplements under such plan which
11	is payable to the State as the Federal share of such expendi-
12	tures under subsection (a)(1) or (2) (with or without the appli-
13	eation of section 1118), to the extent that the total amount so
14	expended is attributable to such increase, shall be determined
15	as follows:
16	"(A) The percentage of the State share of the ex-
17	penditures attributable to such increase, as it would be
18	determined by the application of subsection (a) (1) or
19	(2) without regard to this subsection, shall be reduced
20	by 30 percent, and
21	"(B) the Federal share of the expenditures attrib-
22	utable to such increase shall be 100 percent minus the
23	reduced State share as determined under subparagraph
24	(A);
25	and the resulting net Federal share of the total amounts ex-
26	pended during such quarter as family support supplements

1	under the State plan (including both the expenditures to
2	which this paragraph applies and the expenditures to which it
3	does not) shall be determined as provided in paragraph (2).
4	"(2)(A) Whenever a State (after September 30, 1987)
5	increases the level of the family support supplements which is
6	payable under its approved State plan, the Secretary shall
7	determine with respect to each particular size of family sepa-
8	rately specified under the plan (assuming for this purpose
9	that no family has any other income)—
10	"(i) the level of such supplements (expressed as a
1	monthly dollar amount) as of September 30, 1987;
12	"(ii) the level of such supplements (expressed as a
13	monthly dollar amount) immediately after such increase
14	becomes effective;
15	"(iii) the dollar amount of the increase (if any) in
16	such level; and
17	"(iv) the percentage of the State's total FSP
18	easeload (i.e., of the total number of families receiving
19	family support supplements under the plan) which is
20	represented by families of that particular size.
21	"(B) The Federal share of the expenditures which are
22	made as family support supplements under the State plan
23	with respect to families of any particular size during any
24	quarter beginning with the first quarter in which the increase

1 is effective, and which (if any) are attributable to such in-

2 crease, shall be a percentage equal to—

paragraph (A)(i) for such families multiplied by the net

Federal percentage determined under subsection (a) (1)

or (2) or section 1118 without regard to this subsection, and (II) the amount of the increase (if any) determined under subparagraph (A)(iii) for such families

multiplied by the percentage of the Federal share of the expenditures attributable to such increase as determined under paragraph (1)(B),

12 divided by—

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13 <u>"(ii) the level determined under subparagraph</u>
14 <u>(A)(ii),</u>

15 with the resulting quotient multiplied by—

caseload which is represented by families of that particular size as determined under subparagraph (A)(iv).

"(C) The net Federal share of the total amounts expended during the quarter involved as family support supplements under the State's approved plan for purposes of subsection (a) (1) or (2) shall be a percentage equal to the sum of the percentages determined for all family sizes by the application of clauses (i), (ii), and (iii) of subparagraph (B) to families of each such size separately; and the percentage of such

- 1 net Federal share as so determined shall be in lieu of the
- 2 percentage which would otherwise be applied under subsec-
- 3 tion (a) (1) or (2) or under section 1118.".
- 4 (b) Conforming Amendments.—(1) Section 403(a) of
- 5 such Act is amended by striking out "an amount equal to" in
- 6 paragraphs (1) and (2) and inserting in lieu thereof in each
- 7 instance "an amount (subject to subsection (k)) equal to".
- 8 (2) The first sentence of section 1118 of such Act is
- 9 amended by inserting "(subject to section 403(k))" after "be
- 10 determined".
- 11 SEC. 703. MANDATORY STATE FSP BENEFIT LEVEL.
- 12 (a) STATE PLAN REQUIREMENT.—Section 402(a) of
- 13 the Social Security Act (as amended by sections 601(a) and
- 14 602(b) of this Act) is further amended by inserting after para-
- 15 graph (38) the following new paragraph:
- 16 "(39) provide that, from and after the first day of
- the first ealendar quarter beginning 5 years or more
- 18 after the date of the enactment of the Family Welfare
- 19 Reform Act of 1987, the State will make monthly pay-
- 20 ments in the form of family support supplements, to
- 21 each family with dependent children, in amounts at or
- 22 above the State benefit level determined under subsec-
- 23 tion (k); and".
- 24 (b) DETERMINATION OF STATE BENEFIT LEVEL.
- 25 Section 402 of such Act (as amended by the preceding provi-

- 1 sions of this Act) is further amended by adding at the end
- 2 thereof the following new subsection:
- 3 "(k)(1)(A) The State benefit level for a family of 4 (with
- 4 no other income) in any State, for any month in a calendar
- 5 year, shall be an amount equal to at least 15 percent of the
- 6 State's median monthly family income for that year.
- 7 "(B) For purposes of subparagraph (A), a State's
- 8 'median monthly family income' for months in any calendar
- 9 year is the median income in that year for a family of 4 in
- 10 that State (calculated on a monthly basis), as shown in or
- 11 determined under the most recent decennial census and ad-
- 12 justed by the Secretary to reflect any increases in such
- 13 median income which may have occurred between the date of
- 14 such census and the beginning of that year.
- 15 "(2) The State benefit level for a family of more or less
- 16 than 4 (with no other income) in any State, for any month in
- 17 a calendar year, shall be an amount which bears the same
- 18 ratio to the amount determined for that month under para-
- 19 graph (1) (for a family of 4) as the cost of the thrifty food plan
- 20 under section 3(o) of the Food Stamp Act of 1977 for an
- 21 average family of the size involved (in that month) bears to
- 22 the cost of such plan for an average family of 4.
- 23 "(3) The amount of the family support supplement actu-
- 24 ally payable to any family described in paragraph (1) or (2)
- 25 shall be equal to the applicable State benefit level reduced by

1	the	amount	of	any	income	of	the	family	not	disregarded	in
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- 2 accordance with section 402(a)(8).
- 3 "(4) The determination of each State's minimum benefit
- 4 levels (and of each State's median monthly family income),
- 5 for any calendar year, shall be made and published by the
- 6 Secretary prior to the beginning of such year in accordance
- 7 with regulations prescribed by the Secretary.".
- 8 (e) Effective Date. The amendments made by this
- 9 section shall become effective on the first day of the first
- 10 ealendar quarter which begins 5 years or more after the date
- 11 of the enactment of this Act.

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TITLE VIII—MISCELLANEOUS PROVISIONS

- 14 SEC. 801. COORDINATION OF FAMILY SUPPORT PROGRAM
- 15 AND FOOD STAMP POLICIES.
- 16 (a) APPOINTMENT OF ADVISORY GROUP. As soon as
- 17 possible after the enactment of this Act, the Secretary of
- 18 Health and Human Services and the Secretary of Agricul-
- 19 ture, acting jointly, shall appoint and convene an advisory
- 20 group, consisting of representatives of their respective De-
- 21 partments, State Governors, State and local welfare adminis-
- 22 trators, Members of Congress, welfare advocates, and other
- 23 appropriate persons, to study and consider the policies and
- 24 definitions being implemented or used (under law or adminis-
- 25 trative practice) in the administration of the Family Support

- 1 Program under part A of title IV of the Social Security Act
- 2 and those being so implemented or used in the administration
- 3 of the food stamp program under the Food Stamp Act of
- 4 1977.
- 5 (b) Purpose.—It shall be the purpose of the advisory
- 6 group to identify the policies and definitions being implement-
- 7 ed or used under each such program which are inconsistent
- 8 or in conflict with those being implemented or used under the
- 9 other, and to make recommendations for developing common
- 10 policies and definitions for use under both programs and
- 11 thereby eliminating such inconsistency or conflict to the max-
- 12 imum extent possible.
- 13 (e) REPORT.—The advisory group shall submit to the
- 14 President and the Congress within one year after the date of
- 15 the enactment of this Act a full and complete report on its
- 16 study under this section, including its recommendations for
- 17 such legislative, administrative, and other actions as may be
- 18 considered appropriate.
- 19 SEC. 802. UNIFORM REPORTING REQUIREMENTS.
- 20 Section 403 of the Social Security Act is amended by
- 21 inserting immediately after subsection (d) the following new
- 22 subsection:
- 23 "(e) In order to assist in obtaining the information
- 24 needed to earry out subsection (b)(1) and otherwise to per-
- 25 form his duties under this part, the Secretary shall establish

1	uniform reporting requirements under which each State will
2	be required periodically to furnish such information and data
3	as the Secretary may determine to be necessary to ensure
4	that sections 402(a)(37), 402(g), 402(h), and 417 are being
5	effectively implemented, including at a minimum the average
6	monthly number of families assisted under each such section,
7	the types of such families, the amounts expended with re-
8	speet to such families, and the length of time for which such
9	families are assisted. The information and data so furnished
10	with respect to families assisted under section 402(g) shall be
11	separately stated with respect to families who have earnings
12	and those who do not, and with respect to families who are
13	receiving aid under the State plan and those who are not.".
14	SEC. 803. TECHNICAL AND CONFORMING AMENDMENTS RE-
15	LATING TO REPLACEMENT OF AFDC PROGRAM
16	BY FAMILY SUPPORT PROGRAM.
17	(a) AMENDMENTS TO PART A OF TITLE IV.—(1) The
18	heading of title IV of the Social Security Act is amended by
19	striking out "AID AND SERVICES TO NEEDY
20	FAMILIES WITH CHILDREN" and inserting in lieu
21	thereof "AID AND SERVICES UNDER THE
22	FAMILY SUPPORT PROGRAM".
23	(2) The heading of part A of title IV of such Act is

24 amended by striking out "AID TO FAMILIES WITH DEPEND-

- 1 ENT CHILDREN" and inserting in lieu thereof "Family Sup-
- 2 PORT PROGRAM".
- 3 (3) Section 401 of such Act is amended by striking out
- 4 "State plans for aid and services to needy families with chil-
- 5 dren" and inserting in lieu thereof "State family support
- 6 plans".
- 7 (4) The heading of section 402 of such Act is amended
- 8 by striking out "STATE PLANS FOR AID AND SERVICES TO
- 9 NEEDY FAMILIES WITH CHILDREN" and inserting in lieu
- 10 thereof "STATE FAMILY SUPPORT PLANS".
- 11 (5) Section 406(b) of such Act is amended by striking
- 12 out "aid to families with dependent children" where it first
- 13 appears and inserting in lieu thereof "family support
- 14 supplements".
- 15 (6) The following provisions of part A of title IV of such
- 16 Act are each amended by striking out "aid to families with
- 17 dependent children" wherever it appears and inserting in lieu
- 18 thereof "aid in the form of family support supplements":
- 19 Paragraphs (4), (7), (10), (11), (14), (17), (19), (21), and (37)
- 20 of section 402(a); subsections (a), (b) (the second place it ap-
- 21 pears), and (f) of section 403; section 405; subsections (b), (f),
- 22 (g), and (h) of section 406; and subsections (b) and (c) of
- 23 section 407.
- 24 (7) The following provisions of part A of title IV of such
- 25 Act are each amended by striking out "plan for aid and serv-

- 1 ices to needy families with children" wherever it appears and
- 2 inserting in lieu thereof "family support plan": Section
- 3 402(a) (in the matter preceding paragraph (1)); paragraph
- 4 (30) of section 402(a); section 403(a) (in the matter preceding
- 5 paragraph (1)); section 404(a); section 410(a); and section
- 6 412.
- 7 (b) Amendments to Other Provisions of the
- 8 SOCIAL SECURITY ACT. (1) The following provisions of the
- 9 Social Security Act are amended by striking out "aid to fami-
- 10 lies with dependent children" wherever it appears and insert-
- 11 ing in lieu thereof "aid in the form of family support supple-
- 12 ments": Section 452(a)(10); section 454(4); section 457(d)(3);
- 13 section 472(h); section 473(b); and section 1115(b).
- 14 (2) Section 454(16) of such Act is amended by striking
- 15 out "aid to families with dependent children program" and
- 16 inserting in lieu thereof "Family Support Program".
- 17 (3) Subsections (b) and (c) of section 458 of such Act are
- 18 each amended by striking out "AFDC" and "non-AFDC"
- 19 wherever those terms appear and inserting in lieu thereof
- 20 "FSP" and "non-FSP", respectively.
- 21 (e) OTHER REFERENCES IN GENERAL.—Any reference
- 22 to aid to families with dependent children in any provision of
- 23 law other than those specified in the preceding provisions of
- 24 this section shall be deemed to be a reference to family sup-
- 25 port supplements, or to aid in the form of family support

- 1 supplements, consistent with the amendments made by the
- 2 preceding provisions of this Act.
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) SHORT TITLE.—This Act may be cited as the
- 5 "Family Welfare Reform Act of 1987".
- 6 (b) Table of Contents.—
 - Sec. 1. Short title; table of contents.
 - Sec. 2. AFDC replaced by family support program.

TITLE I—NATIONAL EDUCATION, TRAINING, AND WORK (NETWORK) PROGRAM

- Sec. 101. Establishment of network program.
- Sec. 102. Related substantive amendments.
- Sec. 103. Technical and conforming amendments.
- Sec. 104. Effective date.

TITLE II—DAY CARE, TRANSPORTATION, AND OTHER WORK-RELATED EXPENSES

- Sec. 201. Payment of expenses by States.
- Sec. 202. Development of new child care resources.
- Sec. 203. Effective date.

TITLE III—REAL WORK INCENTIVES

- Sec. 301. Changes in earned income disregards.
- Sec. 302. Effective date.

TITLE IV-TRANSITIONAL SERVICES FOR FAMILIES

- Sec. 401. Medicaid eligibility.
- Sec. 402. Effective date.

TITLE V—CHILD SUPPORT ENFORCEMENT AMENDMENTS

- Sec. 501. State guidelines for child support award amounts.
- Sec. 502. Establishment of paternity.
- Sec. 503. Demonstration projects to address visitation and custody problems.
- Sec. 504. Disregarding of child support payments for FSP purposes.
- Sec. 505. Requirement of prompt State response to requests for child support assistance.
- Sec. 506. Automated tracking and monitoring systems.
- Sec. 507. Costs of interstate enforcement demonstrations excluded in computing incentive payments.
- Sec. 508. Federal matching reduced for States which are not in compliance with 1984 amendments, and increased for States which require immediate income withholding upon issuance of court order.
- Sec. 509. Commission on interstate enforcement.
- Sec. 510. Study of child-raising costs.
- Sec. 511. Demonstration projects to test voluntary work, education, and training

for fathers who are unable to pay child support.

Sec. 512. Collection and reporting of child support enforcement data.

Sec. 513. Assistance in locating absent parents.

Sec. 514. Effective date.

TITLE VI-PRO-FAMILY WELFARE POLICIES

Sec. 601. Requirement that aid be provided with respect to dependent children in two-parent families.

Sec. 602. Special provisions for families headed by minor parents.

TITLE VII—BENEFIT IMPROVEMENTS

Sec. 701. Periodic re-evaluations of need and payment standards.

Sec. 702. Encouragement of States to increase FSP benefit levels.

Sec. 703. Study of new national approaches to welfare benefits for low-income families with children.

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 801. Coordination of family support and food stamp policies.

Sec. 802. Uniform reporting requirements.

Sec. 803. State reports on expenditure and use of social service funds.

Sec. 804. Evaluation of education, training, and work programs and related programs.

Sec. 805. Demonstration program of grants to provide permanent housing for families that would otherwise require emergency assistance.

Sec. 806. Child support demonstration project in New York State.

Sec. 807. Demonstration of family independence program in Washington State.

Sec. 808. Study of housing problems of FSP families.

Sec. 809. Requirement of continued treatment for drug addiction or alcoholism as condition of eligibility.

Sec. 810. Inclusion of American Samoa in FSP program.

Sec. 811. Increase in limitation on payments to Puerto Rico, the Virgin Islands, and Guam.

Sec. 812. Technical and conforming amendments relating to replacement of AFDC program by family support program.

1 SEC. 2. AFDC REPLACED BY FAMILY SUPPORT PROGRAM.

2 The program under part A of title IV of the Social Se-

B curity Act, heretofore known as the program of aid to families

4 with dependent children, shall hereafter be known as the

5 Family Support Program. The aid payable to needy families

6 with dependent children in accordance with State plans ap-

7 proved under section 402 of such Act shall hereafter be called

8 family support supplements, or aid in the form of family sup-

9 port supplements, as more specifically provided in the amend-

- 1 ments made by this Act; and all references to "aid" under
- 2 such plans shall hereafter (to the extent that they relate to
- 3 periods on or after the date of the enactment of this Act) be
- 4 deemed to be references to such aid in the form of family
- 5 support supplements.

6 TITLE I—NATIONAL EDUCATION,

- 7 TRAINING, AND WORK (NET-
- 8 WORK) PROGRAM
- 9 SEC. 101. ESTABLISHMENT OF NETWORK PROGRAM.
- 10 (a) STATE PLAN REQUIREMENT.—Section 402(a)(19)
- 11 of the Social Security Act is amended to read as follows:
- 12 "(19) provide that the State has in effect and op-
- eration an education, training, and work program ap-
- proved by the Secretary as meeting all of the require-
- ments of section 416;".
- 16 (b) Establishment and Operation of State
- 17 Programs.—Part A of title IV of such Act is amended by
- 18 adding at the end thereof the following new section:
- 19 "NATIONAL EDUCATION, TRAINING, AND WORK PROGRAM
- 20 "Sec. 416. (a) Purpose.—It is the purpose of this
- 21 section to assure that needy children and parents obtain the
- 22 education, training, and employment which will help them
- 23 avoid long-term welfare dependence.
- 24 "(b) Establishment and Operation of Pro-
- 25 GRAMS.—(1) As a condition of its participation in the
- 26 Family Support Program under this part, each State shall

- 1 establish and operate an education, training, and work pro-
- 2 gram which has been approved by the Secretary as meeting
- 3 all of the requirements of this section, and shall make the
- 4 program available in each political subdivision of the State
- 5 where it is feasible to do so after taking into account the
- 6 number of prospective participants, the local economy, and
- 7 other relevant factors. The Secretary's approval shall be
- 8 based on a plan setting forth and describing the program and
- 9 estimating the number of persons to be served, which shall be
- 10 submitted by the State on or before the effective date of this
- 11 section and which, if the State has determined that the pro-
- 12 gram is not to be available in all of its political subdivisions,
- 13 shall include appropriate justification for that determination.
- 14 "(2) Each State education, training, and work program
- 15 under this section shall include private sector and local gov-
- 16 ernment involvement in planning and program design to
- 17 assure that participants are trained for jobs that will actually
- 18 be available in the community.
- 19 "(3) The State agency which administers or supervises
- 20 the administration of the State's plan approved under section
- 21 402 shall be responsible for the operation and administration
- 22 of the State's education, training, and work program under
- 23 this section.
- 24 "(4) Federal funds made available to a State for pur-
- 25 poses of the program under this section shall be used to aug-
- 26 ment and expand existing services and activities which pro-

- 1 mote the purpose of this section, and shall not in whole or in
- 2 part replace or supplant any State or local funds already
- 3 being expended for that purpose.
- 4 "(c) Participation.—(1) Each adult recipient of
- 5 family support supplements in the State who is not exempt
- 6 under paragraph (4) shall be required to participate in the
- 7 program under this section to the extent that the program is
- 8 available in the political subdivision where he or she resides
- 9 and State resources otherwise permit. The State agency shall
- 10 take such action as may be necessary to ensure that each
- 11 recipient of such supplements (including each such recipient
- 12 who is exempt under paragraph (4)) is notified and fully
- 13 informed concerning the education, training, and work oppor-
- 14 tunities offered under the program.
- 15 "(2) The State may require participation in the pro-
- 16 gram under this section by recipients who are not exempt
- 17 under paragraph (4) (hereinafter referred to as 'mandatory
- 18 participants'), and shall also extend the opportunity to par-
- 19 ticipate in the program to recipients who are exempt under
- 20 paragraph (4) (hereinafter referred to as 'volunteers'). The
- 21 State shall actively encourage volunteers to participate in the
- 22 program, and shall from time to time furnish to the Secretary
- 23 appropriate assurances that it is doing so.
- 24 "(3) With the objective of making the most effective pos-
- 25 sible use of the State's resources and identifying the families

1	which most urgently need the services and activities provided
2	under the program under this section, the program shall es-
3	tablish (and the plan submitted under subsection (b)(1) shall
4	designate) specific target populations including—
5	"(A) families with a teenage parent, and families
6	with a parent who was under 18 years of age when the
7	first child was born;
8	"(B) families that have been receiving aid to fam-
9	ilies with dependent children or family support supple-
10	ments continuously for two or more years; and
11	"(C) families with one or more children under 6
12	years of age.
13	For purposes of subparagraph (B), a family that has received
14	aid to families with dependent children or family support
15	supplements for at least 20 months out of any period of 24
16	consecutive months shall be treated as having received such
17	aid or supplements continuously during that period.
18	"(4) The following are exempt from participation in the
19	program under this section:
20	"(A) an individual who is ill, incapacitated, or 60
21	years of age or over;
22	"(B) an individual who is needed in the home be-
23	cause of the illness or incapacity of another family
24	member;

"(C) the parent or other caretaker relative of a
child under 3 years of age (subject to the last sentence
of this paragraph); except that—

- "(i) the State may not require participation in the program by a parent or other caretaker relative of a child who has attained 3 years of age but not 6 years of age unless day care is guaranteed to such relative and his or her participation is on a part-time basis,
- "(ii) the State shall permit and encourage participation in the program (and waive the exemption provided by this subparagraph) in the case of parents and other caretaker relatives of children who have not attained 3 years of age, where day care is guaranteed to the relative involved and his or her participation is on a part-time basis, and
- "(iii) the Secretary may permit the State at its option to require participation in the program (and waive the exemption provided by this subparagraph) in the case of parents and other caretaker relatives whose youngest child has attained 1 year of age but not 3 years of age if (I) the State demonstrates to the satisfaction of the Secretary that appropriate infant care for each such

1	child who has not attained 3 years of age can be
2	guaranteed within the applicable dollar limita-
3	tions set forth in section $402(g)(1)$, and (II) such
4	relative's participation will be on a part-time
5	basis;
6	"(D) an individual who is working 20 or more
7	hours a week;
8	"(E) a child who is under the age of 16 or attend-
9	ing, full time, an elementary, secondary, or vocational
10	(or technical) school, except in the case of a minor
11	parent with respect to whom the State has exercised its
12	option under section 417(c);
13	"(F) a woman who is pregnant; and
14	"(G) an individual who resides in an area of the
15	State where the program is not available.
16	In the case of a two-parent family to which section 407 ap-
17	plies, the exemption under subparagraph (C) shall apply
18	only to one parent or other caretaker relative; but the State
19	may at its option make such exemption inapplicable in any
20	such case to both of the parents or relatives involved (and
21	require their participation in the program, at least one of
22	them on a full-time basis) if appropriate child care is guaran-
23	teed in accordance with the applicable provisions of such sub-
24	paragraph.

1	"(5) If the caretaker relative or any dependent child in
2	the family is already attending (in good standing) a school or
3	a course of vocational or technical training designed to lead
4	to employment at the time he or she would otherwise com-
5	mence participation (as a mandatory participant or volun-
6	teer) in the program under this section, such attendance shall
7	constitute satisfactory participation in the educational or
8	training component of the program (by that caretaker or
9	child) so long as it continues; and the family support plan
10	(entered into under subsection (f)) shall so indicate. The costs
11	of such school or training shall not constitute federally reim-
12	bursable expenses for purposes of section 403 (but this sen-
13	tence shall not prevent the State from providing or making
14	reimbursement for the cost of day care which is necessary for
15	such attendance in accordance with section $402(g)(1)$).
16	"(d) Priorities.—(1) To the extent that the State's
17	resources do not permit the inclusion in the program of all
18	mandatory participants and volunteers, the selection of the
19	families to whom services are to be provided under the pro-
20	gram under this section shall be made (subject to subsection
21	(1)(3) and paragraphs (2) and (3) of this subsection) in ac-
22	cordance with the following priorities:
23	"(A) First priority shall be given to volunteers
24	who are described in subparagraphs (A), (B), and (C)
25	of subsection (c)(3).

1	"(B) Second priority shall be given to mandatory
2	participants who are described in subparagraphs (A),
3	(B), and (C) of subsection (c)(3).
4	"(C) Third priority shall be given to mandatory
5	participants (not described in subparagraph (B)) in
6	families with older children.
7	"(D) Fourth priority shall be given to volunteers
8	not described in subparagraph (A).
9	"(E) Fifth priority shall be given to all other
10	mandatory participants.
11	For purposes of subparagraph (C), a family 'with older chil-
12	dren' is a family in which the youngest child is within two
13	years of being ineligible for family support supplements be-
14	cause of his or her age.
15	"(2) Among the mandatory participants described in
16	subparagraph (B), (C), or (E) of paragraph (1), first consid-
17	eration shall be given to those who actively seek to participate
18	in the program.
19	"(3) In the case of a State which provides satisfactory
20	assurances that it will make available the resources to serve
21	all mandatory participants and volunteers within a 3-year
22	period after the effective date of this section, paragraph (1)
23	shall not apply until the expiration of such 3-year period.
24	"(e) Orientation.—The State agency shall provide
25	each applicant for family support supplements with orienta-

- 1 tion to the program under this section, including full infor-
- 2 mation about the opportunities offered by the program and
- 3 the obligations of participants in the program (and including
- 4 descriptions of day care services and available health cover-
- 5 age transition options). Such orientation shall also be avail-
- 6 able at any time to recipients of family support supplements
- 7 who did not receive orientation under this subsection at the
- 8 time of their initial application for such supplements or who
- 9 need additional information about the program.
- 10 "(f) Assessment and Family Support Plan.—
- 11 The State agency shall make an initial assessment of the
- 12 educational needs, skills, and employability of each partici-
- 13 pant in the program under this section, including a review of
- 14 the family circumstances and of the needs of the children as
- 15 well as those of the adult caretaker; and on the basis of such
- 16 assessment the State agency and the participating members
- 17 of the family (or the adult caretaker with respect to any such
- 18 participant who is a minor) shall negotiate a family support
- 19 plan for the family. The family support plan shall set forth
- 20 and describe all of the activities in which participants in the
- 21 family will take part under the program, and shall, to the
- 22 maximum extent possible and consistent with this section,
- 23 reflect the respective preferences of such participants.
- 24 "(q) AGENCY-CLIENT AGREEMENT AND CASE MAN-
- 25 AGEMENT.—(1) Following the initial assessment and the de-

velopment of the family support plan with respect to any 1 family under this section, the State agency and the participating members of the family (or the caretaker relative in the family with respect to participants who are minors) shall ne-4 gotiate and enter into an agency-client agreement including a commitment by the participants (or caretaker) to participate 6 in the program in accordance with the family support plan, specifying in detail the activities in which the participants will take part and the conditions and duration of such participation, and detailing all of the activities which the State 10 will conduct and the services which the State will provide in 11 12 the course of such participation. The participants (or caretaker) shall be given such assistance as may be required in re-13 viewing and understanding the family support plan and the 14 agency-client agreement. 15 16 "(2)(A) Each participant shall be guaranteed an opportunity for a fair hearing before the State agency in the event 17of a dispute involving the contents of the family support plan, 18 the contents or signing of the agency-client agreement, the 19 nature or extent of his or her participation in the program as 20 specified therein, or any other aspect of such participation 21 which is provided for under this section (including a dispute 22 involving the imposition of sanctions under subsection (1) and 23 the participant's right to conciliation before any such sanc-

- 1 tion is imposed); and the agency-client agreement shall so
- 2 provide.
- 3 "(B) In no case shall any agency-client agreement en-
- 4 tered into pursuant to this subsection give rise to a cause of
- 5 action against the Federal Government or any officer or
- 6 agency thereof if any party to such agreement fails to observe
- 7 its terms.
- 8 "(3) The State agency shall assign to each participating
- 9 family a member of the agency staff to provide case manage-
- 10 ment services to the family; and the case manager so assigned
- 11 shall be responsible for (A) obtaining or brokering, on behalf
- 12 of the family, any other services which may be needed to
- 13 assure the family's effective participation, (B) monitoring the
- 14 progress of the participant, and (C) periodically reviewing
- 15 and renegotiating the family support plan and the agency-
- 16 client agreement as appropriate. Amounts expended in pro-
- 17 viding case management services under this paragraph shall
- 18 be considered, for purposes of section 403(a)(3)(C), to be ex-
- 19 penditures for the proper and efficient administration of the
- 20 State plan.
- 21 "(h) RANGE OF SERVICES AND ACTIVITIES.—(1) In
- 22 carrying out the program under this section, each State must
- 23 make available a broad range of services and activities calcu-
- 24 lated to aid in carrying out the purpose of this section, specif-

1	ically including (subject to the next to last sentence of this
2	paragraph and to paragraph (2))—
3	"(A) high school or equivalent education (com-
4	bined with training when appropriate) designed specifi-
5	cally for participants who do not have a high school di-
6	ploma, except in the case of a participant who demon-
7	strates a basic literacy level and whose family support
8	plan identifies a long-term employment goal that does
9	not require a high school diploma;
10	"(B) remedial education to achieve a basic liter-
11	acy level, instruction in English as a second language,
12	and specialized advanced education in appropriate
13	cases;
14	"(C) group and individual job search as described
15	in subsection (k);
16	"(D) on-the-job training;
17	"(E) skills training;
18	"(F) work supplementation programs as provided
19	in subsection (i);
20	"(G) community work experience programs as
21	provided in subsection (j);
22	"(H) job readiness activities to help prepare par-
23	ticipants for work;

1	"(I) counseling, information, and referral for par-
2	ticipants experiencing personal and family problems
3	which may be affecting their ability to work;
4	"(J) job development, job placement, and follow-
5	up services to assist participants in securing and re-
6	taining employment and advancement as needed; and
7	"(K) other education and training activities as de-
8	termined by the State and allowed by regulations of
9	the Secretary.
10	The State must in any event make available the services and
11	activities described in subparagraphs (A), (B), (C), (E), (H),
12	(I), and (J) along with the services and activities described in
13	at least two of the remaining subparagraphs. The provisions
14	of paragraphs (4) through (8) of this subsection shall apply
15	with respect to all of the services and activities described in
16	this subsection.
17	"(2) Any participant lacking a high school diploma
18	shall be offered the opportunity to participate in a program
19	which addresses the education needs identified in the partici-
20	pant's initial assessment, including high school or equivalent
21	education designed specifically for participants who do not
22	have a high school diploma, remedial education to achieve a
23	basic literacy level, or instruction in English as a second

24 language; and both the family support plan and the agency-

25 client agreement shall so provide. Any other services or ac-

- 1 tivities to which such a participant is assigned under the
- 2 agreement may not be permitted to interfere with his or her
- 3 participation in an appropriate education program under this
- 4 paragraph.
- 5 "(3) Children in participating families who are not
- 6 themselves participants in the program under this section
- 7 shall be encouraged to take part in any of the education or
- 8 training programs available under the program; and the
- 9 State must also provide to such children additional services
- 10 specifically designed to help them stay in school (including
- 11 financial incentives as appropriate), complete their high
- 12 school education, and obtain marketable job skills (including
- 13 services provided under a demonstration program conducted
- 14 pursuant to section 1115(b)(1)). Training activities in which
- 15 such children participate may not, however, be permitted to
- 16 interfere with their school attendance.
- 17 "(4)(A) Each assignment of a participant under the
- 18 program shall be consistent with the physical capacity, skills,
- 19 experience, health, family responsibilities, and place of resi-
- 20 dence of such participant.
- 21 "(B) Before assigning a participant to any activity
- 22 under the program, the State shall assure that—
- 23 "(i) appropriate standards for health, safety, and
- 24 other conditions are applicable to participation in such
- 25 activity;

1	"(ii) the conditions of participation in such activi-
2	ty are reasonable, taking into account the geographic
3	region, the residence of the participant, and the profi-
4	ciency of the participant; and

"(iii) the participant will not be required, without his or her consent, to travel an unreasonable distance from his or her home or remain away from such home overnight.

"(5) No assignment under the program shall result in—

"(A) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

"(B) the employment or assignment of a participant or the filling of a position when (i) any other individual is on layoff from the same or any equivalent
position, or (ii) the employer has terminated the employment of any regular employee or otherwise reduced
its workforce with the intention of filling the vacancy
so created with a participant subsidized under this section; or

"(C) any infringement of the promotional opportunities of any currently employed individual.

- 1 "(6) The wage rate for any position to which a partici-
- 2 pant is assigned shall be at least equal to the current pay
- 3 scale for that position, or, if there is no current pay scale for
- 4 that position, shall be at least equal to the greater of the ap-
- 5 plicable Federal or State minimum wage; and appropriate
- 6 worker's compensation and tort claims protection shall be
- 7 provided to all participants on the same basis as such com-
- 8 pensation and protection are provided to other employed indi-
- 9 viduals in the State.
- 10 "(7)(A) Each State agency shall establish and main-
- 11 tain a grievance procedure for dealing with complaints about
- 12 its programs and activities under this section from partici-
- 13 pants, subgrantees, subcontractors, and other interested per-
- 14 sons. Hearings on any complaint shall be conducted within
- 15 30 days after the date on which the complaint is filed and a
- 16 decision shall be made no later than 60 days after such date.
- "(B) The decision of the State agency may be appealed
- 18 to the Secretary under the procedures established in subpara-
- 19 graph (C), and the complaint itself may be appealed to the
- 20 Secretary under such procedures if the State agency fails to
- 21 make a decision within the prescribed 60-day period.
- 22 "(C)(i) Whenever an appeal to the Secretary, alleging
- 23 that paragraph (4), (5), (6), or (8) has been violated, is made
- 24 under subparagraph (B), a copy of the complaint shall be
- 25 transmitted at the same time to the entity alleged to have

- 1 committed the violation. An opportunity shall be afforded to
- 2 such entity to review the complaint and to submit a reply to
- 3 the Secretary within 15 days after receiving the copy of such
- 4 complaint.
- 5 "(ii) An official who shall be designated by the Secre-
- 6 tary shall review any complaint submitted in accordance
- 7 with clause (i), and conduct such investigation as may be
- 8 necessary, to ascertain the accuracy of the information set
- 9 forth or alleged and to determine whether there is substantial
- 10 evidence that the affected activities fail to comply with para-
- 11 graph (4), (5), (6), or (8). Such official shall report his find-
- 12 ings and recommendations to the Secretary within 60 days
- 13 after commencing the review and investigation.
- 14 "(iii) The Secretary, within 45 days after receiving the
- 15 report under clause (ii) shall issue a final determination as to
- 16 whether a violation of paragraph (4), (5), (6), or (8) has
- 17 occurred.
- 18 "(iv) The Secretary shall institute proceedings to
- 19 compel the repayment of any funds determined to have been
- 20 expended in violation of paragraph (4), (5), (6), or (8).
- 21 "(D) The existence of the remedies provided by this sec-
- 22 tion shall not preclude any person who alleges that an action
- 23 of a State agency violates any of the provisions of this section
- 24 from instituting a civil action or pursuing any other remedy
- 25 authorized under Federal, State, or local law.

1	"(8) The State may not require a participant in the
2	program to accept a position under the program (as work
3	supplementation or otherwise) if accepting the position would
4	result in a net loss of income (including the insurance value
5	of any health benefits) to the participant or his or her family.
6	"(9) Program activities under this section shall be co-
7	ordinated in each State with programs operated under the
8	Job Training Partnership Act and with any other relevant
9	employment, training, and education programs available in
10	that State. Appropriate components of the State's plan devel-
11	oped under subsection (b)(1) which relate to job training and
12	workplace preparation shall be consistent with the coordina-
13	tion criteria specified in the Governor's coordination and spe-
14	cial services plan required under section 121 of the Job
15	Training Partnership Act. The State plan so developed shall
16	be submitted to the State job training coordinating council
17	not less than 90 days prior to its submission to the Secretary,
18	for the purpose of review and comment by the council on
19	those provisions of the plan related to delivery of job training
20	services and of coordinating activities under this section with
21	similar activities under the Job Training Partnership Act.
22	"(10) Program activities under this section shall be co-
23	ordinated in each State with existing early childhood educa-
24	tion programs in that State.

- 1 "(11) In carrying out the program under this section,
- 2 the State may enter into appropriate contracts and other ar-
- 3 rangements with public and private agencies and organiza-
- 4 tions for the provision or conduct of any services or activities
- 5 made available under the program.
- 6 "(i) Work Supplementation Programs.—(1) Any
- 7 State may institute a work supplementation program under
- 8 which such State, to the extent it considers appropriate, may
- 9 reserve the sums which would otherwise be payable to partici-
- 10 pants in the program under this section as family support
- 11 supplements under the State plan approved under this part
- 12 and use such sums instead for the purpose of providing and
- 13 subsidizing jobs for such participants (as described in para-
- 14 graph (3)(C)(i) and (ii)), as an alternative to the supple-
- 15 ments which would otherwise be so payable to them under
- 16 such plan.
- 17 "(2)(A) Notwithstanding any other provision of law,
- 18 Federal funds may be paid to a State under this part, subject
- 19 to the provisions of this section, with respect to expenditures
- 20 incurred in operating a work supplementation program under
- 21 this subsection.
- 22 "(B) Nothing in this part, or in any State plan ap-
- 23 proved under this part, shall be construed to prevent a State
- 24 from operating (on such terms and conditions and in such
- 25 cases as the State may find to be necessary or appropriate) a

- 1 work supplementation program in accordance with this sub-
- 2 section.
- 3 "(C) Notwithstanding any other provision of law, a
- 4 State may adjust the levels of the standards of need under the
- 5 State plan to the extent the State determines such adjust-
- 6 ments to be necessary and appropriate for carrying out a
- 7 work supplementation program under this subsection.
- 8 "(D) Notwithstanding any other provision of law, a
- 9 State operating a work supplementation program under this
- 10 subsection may provide that the need standards in effect in
- 11 those areas of the State in which such program is in oper-
- 12 ation may be different from the need standards in effect in
- 13 the areas in which such program is not in operation, and
- 14 such State may provide that the need standards for categories
- 15 of recipients of family support supplements may vary among
- 16 such categories to the extent the State determines to be appro-
- 17 priate on the basis of ability to participate in the work sup-
- 18 plementation program.
- 19 "(E) Notwithstanding any other provision of law, a
- 20 State may make further adjustments in the amounts of the
- 21 family support supplements paid under the plan to different
- 22 categories of recipients (as determined under subparagraph
- 23 (D)) in order to offset increases in benefits from needs-related
- 24 programs (other than the State plan approved under this
- 25 part), to the extent the State determines such adjustments to

- 1 be necessary and appropriate to further the purposes of the
- 2 work supplementation program.
- 3 "(F) In determining the amounts to be reserved and
- 4 used for providing and subsidizing jobs under this subsection
- 5 as described in paragraph (1), the State may use a sampling
- 6 methodology.
- 7 "(G) Notwithstanding section 402(a)(8) or any other
- 8 provision of law, a State operating a work supplementation
- 9 program under this subsection may reduce or eliminate the
- 10 amount of earned income to be disregarded under the State
- 11 plan to the extent the State determines such a reduction or
- 12 elimination to be necessary and appropriate to further the
- 13 purposes of the work supplementation program.
- 14 "(3)(A) A work supplementation program operated by a
- 15 State under this subsection shall provide that any individual
- 16 who is an eligible individual (as determined under subpara-
- 17 graph (B)) shall take a supplemented job (as defined in sub-
- 18 paragraph (C)) to the extent that supplemented jobs are
- 19 available under the program. Payments by the State to indi-
- 20 viduals or employers under the program shall be treated as
- 21 expenditures incurred by the State for family support supple-
- 22 ments under the State plan for purposes of section 403(a) (1)
- 23 and (2), except as limited by paragraph (4).
- 24 "(B) For purposes of this subsection, an eligible indi-
- 25 vidual is an individual (not exempt under subsection (c)(4))

- 1 who is in a category which the State determines should be
- 2 eligible to participate in the work supplementation program,
- 3 and who would, at the time of his or her placement in the job
- 4 involved, be eligible for family support supplements under the
- 5 State plan if such State did not have a work supplementation
- 6 program in effect.
- 7 "(C) For purposes of this subsection, a supplemented
- 8 *job is*—
- 9 "(i) a job provided to an eligible individual by the
- 10 State or local agency administering the State plan
- 11 under this part; or
- "(ii) a job provided to an eligible individual by
- any other employer for which all or part of the wages
- 14 are paid by such State or local agency.
- 15 A State may provide or subsidize any job under the program
- 16 under this section which such State determines to be appro-
- 17 priate.
- 18 "(D) At the option of the State, individuals who hold
- 19 supplemented jobs under a State's work supplementation pro-
- 20 gram shall be exempt from the retrospective budgeting re-
- 21 quirements imposed pursuant to section 402(a)(13)(A)(ii)
- 22 (and the amount of the aid which is payable to the family of
- 23 such individual for any month, or which would be so payable
- 24 but for the family's participation in the work supplementa-

- 1 tion program, shall be determined on the basis of the income
- 2 and other relevant circumstances in that month).
- 3 "(E) Paragraphs (4) through (8) of subsection (h) shall
- 4 apply with respect to assignments of eligible individuals to
- 5 supplemented jobs under this subsection.
- 6 "(4) The amount of the Federal payment to a State
- 7 under section 403(a) for expenditures incurred in making
- 8 payments to individuals and employers under a work supple-
- 9 mentation program under this subsection shall not exceed an
- 10 amount equal to the amount which would otherwise be pay-
- 11 able under paragraph (1) or (2) of such section if the family
- 12 of each individual employed in the program had received the
- 13 maximum amount of family support supplements payable
- 14 under the State plan to such a family with no income (with-
- 15 out regard to adjustments under paragraph (2) of this subsec-
- 16 tion) for a period of months equal to the lesser of (A) nine
- 17 months, or (B) the number of months in which such individ-
- 18 ual was employed in such program. Expenditures so in-
- 19 curred shall be considered to have been made for family sup-
- 20 port supplements under the State plan for purposes of section
- 21 403(a) (1) and (2).
- 22 "(5)(A) Nothing in this subsection shall be construed as
- 23 requiring the State or local agency administering the State
- 24 plan to provide employee status to an eligible individual to
- 25 whom it provides a job under the work supplementation pro-

- 1 gram (or with respect to whom it provides all or part of the
- 2 wages paid to the individual by another entity under such
- 3 program), or as requiring any State or local agency to pro-
- 4 vide that an eligible individual filling a job position provided
- 5 by another entity under such program be provided employee
- 6 status by such entity, during the first 13 weeks such individ-
- 7 ual fills that position.
- 8 "(B) Wages paid under a work supplementation pro-
- 9 gram shall be considered to be earned income for purposes of
- 10 any provision of law.
- 11 "(6) Any State which chooses to operate a work supple-
- 12 mentation program under this subsection must provide that
- 13 any individual who participates in such program, and any
- 14 child or relative of such individual (or other individual living
- 15 in the same household as such individual) who would be eli-
- 16 gible for family support supplements under the State plan
- 17 approved under this part if such State did not have a work
- 18 supplementation program, shall be considered individuals re-
- 19 ceiving family support supplements under the State plan ap-
- 20 proved under this part for purposes of eligibility for medical
- 21 assistance under the State plan approved under title XIX.
- 22 "(j) Community Work Experience Programs.—
- 23 (1)(A) Any State which chooses to do so may establish a
- 24 community work experience program in accordance with this
- 25 subsection. The purpose of the community work experience

1	program is to provide experience and training for individuals
2	not otherwise able to obtain employment, in order to assist
3	them to move into regular employment. Community work ex-
4	perience programs shall be designed to improve the employ-
5	ability of participants through actual work experience and
6	training and to enable individuals employed under communi-
7	ty work experience programs to move promptly into regular
8	public or private employment. Community work experience
9	programs shall be limited to projects which serve a useful
10	public purpose in fields such as health, social service, envi-
11	ronmental protection, education, urban and rural develop-
12	ment and redevelopment, welfare, recreation, public facilities,
13	public safety, and day care. To the extent possible, the prior
14	training, experience, and skills of a recipient shall be used in
15	making appropriate work experience assignments. Partici-
16	pants in a program under this subsection may not fill estab-
17	lished unfilled position vacancies.
18	"(B) A State which elects to establish a community
19	work experience program under this subsection shall operate
20	such program so that each participant (as determined by the
21	State) either—
22	"(i) works and undergoes training for a period
23	not exceeding 6 months, with the maximum number of
24	hours that any such individual may be required to

work and undergo training in any month being a

25

number equal to the amount of the family support sup-1 plements payable with respect to the family of which 2 3 such individual is a member under the State plan approved under this part, divided by the current hourly 4 pay scale for the position in which the participant 5 works, or (if there is no current pay scale for that posi-6 tion) by the greater of the applicable Federal or State 7 minimum wage (and the portion of a recipient's benefit 8 for which the State is reimbursed by a child support 9 payment shall not be taken into account in determining 10 the number of hours that such individual may be 11 12 required to work); or

"(ii) performs unpaid work experience and training (for a combined total of not more than 30 hours a week) for a period not exceeding 3 months.

16 Paragraphs (4) through (7) of subsection (h) shall apply with 17 respect to the assignment of participants to positions under 18 this section.

"(C) Nothing contained in this subsection shall be construed as authorizing the payment of family support supplements under this part as compensation for work performed,
nor shall a participant be entitled to a salary or to any other
work or training expense provided under any other provision
of law by reason of his participation in a program under this
subsection.

- 1 "(D) Nothing in this part or in any State plan ap-
- 2 proved under this part shall be construed to prevent a State
- 3 from operating (on such terms and conditions and in such
- 4 cases as the State may find to be necessary or appropriate) a
- 5 community work experience program in accordance with this
- 6 subsection.
- 7 "(E) Participants in community work experience pro-
- 8 grams under this subsection may perform work in the public
- 9 interest (which otherwise meets the requirements of this sec-
- 10 tion) for a Federal office or agency with its consent, and,
- 11 notwithstanding section 1342 of title 31, United States Code,
- 12 or any other provision of law, such agency may accept such
- 13 services, but such participants shall not be considered to be
- 14 Federal employees for any purpose.
- 15 "(F) If at the conclusion of his or her participation in a
- 16 community work experience program the individual has not
- 17 become employed, a reassessment with respect to such indi-
- 18 vidual shall be made and a new family support plan devel-
- 19 oped as provided in subsection (f). In no event shall any
- 20 individual who has completed the work and training activi-
- 21 ties described in clause (i) of subparagraph (B), or the work
- 22 experience and training activities described in clause (ii) of
- 23 such subparagraph, be required to repeat such activities or be
- 24 reassigned to perform work or undergo training under either
- 25 such clause.

- 1 "(2) The State shall provide coordination between a
- 2 community work experience program operated pursuant to
- 3 this subsection, any program of job search under subsection
- 4 (k), and the other work-related activities under the program
- 5 established by this section so as to insure that job placement
- 6 will have priority over participation in the community work
- 7 experience program.
- 8 "(3) In the case of any State which makes expenditures
- 9 in the form described in paragraph (1) under its State plan
- 10 approved under section 402, expenditures for the provision of
- 11 training under a program under this subsection, for purposes
- 12 of section 403(a)(4) (and expenditures for the proper and ef-
- 13 ficient administration of the State plan, for purposes of sec-
- 14 tion 403(a)(3)), may not include the cost of making or ac-
- 15 quiring materials or equipment in connection with such
- 16 training services or the cost of supervision of work or training
- 17 under such program, and may include only such other costs
- 18 attributable to such program as are permitted by the Secre-
- 19 *tary*.
- 20 "(k) Job Search.—(1) The State agency shall estab-
- 21 lish and carry out a program of job search for applicants and
- 22 participants in the program under this section.
- 23 "(2) Participants in the program under this section
- 24 shall be encouraged and may be required to take part in job
- 25 search under this subsection, at such times, for such periods,

1 and in such manner as the State agency determines (in each particular case) will be most effective in serving the special 2 needs and interests of the individual involved and in carrying out the purpose of this section. Job search by an applicant may be required or provided for while his or her application 5 is being processed; and job search by a participant may be required or provided for after his or her initial assessment, 7 after his or her education or training, and at other appropriate times during his or her participation in the program 9 under this section, as may be set forth in the agency-client 10 agreement entered into between such individual and the State 11 agency under subsection (g)(1) and as otherwise provided by 12 the State agency. No requirement imposed by the State 13 under the preceding provisions of this paragraph may be used 14 as a reason for any delay in making a determination of an 15 individual's eligibility for family support supplements or in 16 issuing a payment to or on behalf of any individual who is 17 18 otherwise eligible for such supplements. 19 "(3) Participation by an individual in job search under this subsection, without participation in one or more other 20 services or activities offered under the program under this 21 22 section, shall not be sufficient to qualify as participation in the program for any of the purposes of this section after it has 23 continued for 8 weeks or longer without the individual obtaining a job. In any such case (after 8 weeks of job search 25

- 1 without obtaining a job) the individual must engage in train-
- 2 ing, education, or other activities designed to improve his or
- 3 her prospects for employment; and the family support plan
- 4 developed under subsection (f) shall so provide.
- 5 "(1) Sanctions.—(1) If any mandatory participant in
- 6 the program under this section fails without good cause to
- 7 comply with any requirement imposed with respect to his or
- 8 her participation in such program—
- 9 "(A) the needs of such participant (whether or not
- section 407 applies) shall not be taken into account in
- making the determination with respect to his or her
- 12 family under section 402(a)(7), and
- "(B) if such participant is a member of a family
- which is eligible for family support supplements by
- reason of section 407, and his or her spouse is not par-
- ticipating in the program, the needs of such spouse
- shall also not be taken into account in making such
- 18 determination.
- 19 The sanction described in subparagraph (A) (and the sanc-
- 20 tion described in subparagraph (B) if applicable) shall con-
- 21 tinue until the participant's failure to comply ceases; except
- 22 that such sanction shall continue for a minimum of 3 months
- 23 if the failure to comply is the participant's second or a subse-
- 24 quent such failure.

- 1 "(2) No sanction shall be imposed under paragraph (1)
- 2 until appropriate notice thereof has been provided to the par-
- 3 ticipant involved, and until conciliation efforts have been
- 4 made to discuss and resolve the participant's failure to
- 5 comply and to determine whether or not good cause for such
- 6 failure existed. In any event, when a failure to comply has
- 7 continued for 3 months the State agency shall promptly
- 8 remind the participant in writing of his or her option to end
- 9 the sanction by terminating such failure.
- 10 "(3) If a volunteer drops out of the program under this
- 11 section after having commenced participation in such pro-
- 12 gram, he or she shall thereafter be given no priority under
- 13 subsection (d).
- 14 "(m) REGULATIONS.—Within 6 months after the date
- 15 of the enactment of this section, the Secretary shall issue pro-
- 16 posed regulations for the purpose of implementing and carry-
- 17 ing out the program under this section, including regulations
- 18 establishing uniform data collection requirements; and within
- 19 9 months after such date the Secretary shall publish final
- 20 regulations for that purpose. Regulations under this subsec-
- 21 tion shall be developed by the Secretary in consultation with
- 22 the responsible State agencies described in subsection (b)(3).
- 23 "(n) PERFORMANCE STANDARDS.—(1) Within one
- 24 year after the date of the enactment of this section, the Secre-
- 25 tary, in consultation with the Congress, the Secretary of

1	Labor, the States and localities, educators, and other in-
2	terested persons, shall develop and publish performance
3	standards for the program under this section. Such standards
4	shall at a minimum—
5	"(A) provide methods for measuring the degree to
6	which States are targeting their programs to those indi-
7	viduals within each priority group (as described in
8	subsection (d)) who will have the most difficulty find-
9	ing employment;
10	"(B) provide methods for determining whether
11	States are providing intensive services under the pro-
12	gram, tailored to the individual needs of participants
13	and fully calculated to produce self-sufficiency;
14	"(C) provide methods for measuring the degree to
15	which States are placing strong emphasis on participa-
16	tion by volunteers among the priority groups described
17	in subsection (d);
18	"(D) measure the cost effectiveness of the employ-
19	ment portion of the program and the welfare savings
20	that result from the program;
21	"(E) establish expectations for placement rates,
22	including the minimum rate at which participants
23	within each priority group (as described in subsection
24	(d)) are to be placed in jobs or complete their education
25	$or\ hoth$.

1	"(F) take into account the extent to which the
2	program results in job retention by participants, case
3	closures, educational improvements, and placement in
4	jobs that provide health benefits;
5	"(G) give appropriate recognition to the likelihood
6	that unemployment and other economic factors will
7	influence the success of the employment program; and
8	"(H) take into account such other factors as are
9	deemed important.
10	The performance standards so developed and published shall
11	be periodically reviewed by the Secretary and modified (in
12	consultation with the Congress) to the extent necessary to
13	reflect the continuing implementation of the program.
14	"(2) The Secretary shall develop and transmit to the
15	Congress, for appropriate legislative action, a proposal for
16	modifying the rate of the Federal payments to States under
17	section 403(a)(4) so as to reflect the relative effectiveness of
18	the various States in carrying out the program under this
19	section and achieving its purpose.
20	"(o) Continuing Evaluation.—The Secretary shall
21	provide for the continuing evaluation of the programs estab-
22	lished under this section by the several States, including
23	their effectiveness in achieving the purpose of this section and
24	their impact on other related programs. The Secretary shall
25	also—

1	"(1) provide for the conduct of research on ways
2	to increase the effectiveness of such programs, includ-
3	ing research on—
4	"(A) the effectiveness of giving priority to
5	volunteers,
6	"(B) appropriate strategies for assisting two-
7	parent families,
8	"(C) the wage rates of individuals placed in
9	jobs as a result of such programs,
10	"(D) the approaches that are most effective
11	in meeting the needs of specific groups and types
12	of participants (such as teenage parents, older
13	parents, and families including disabled persons),
14	and
15	"(E) the effect of targeting on families which
16	include children below 6 years of age; and
17	"(2) provide technical assistance to States, local-
18	ities, schools, and employers who may participate in
19	the programs and who request or require such assist-
20	ance.
21	"(p) Uniform Reporting Requirements.—The
22	Secretary shall establish uniform reporting requirements
23	under which each State will be required periodically to fur-
24	nish such information and data as the Secretary may need to
25	ensure that the purposes and provisions of this section are

1	being effectively carried out, including at a minimum the
2	average monthly number of families participating in the pro-
3	gram under this section, the types of such families, the
4	amounts expended under the program (as family support sup-
5	plements and otherwise) with respect to such families, and
6	the length of time for which such families are assisted. The
7	information and data so furnished shall be separately stated
8	with respect to each of the services and activities enumerated
9	in subsection (h) and with respect to each of the activities
10	described in subsections (i), (j), and (k).".
11	SEC. 102. RELATED SUBSTANTIVE AMENDMENTS.
12	(a) FEDERAL MATCHING RATES.—(1) Section 403(a)
13	of the Social Security Act is amended by inserting after
14	paragraph (3) the following new paragraph:
15	"(4) in the case of any State, an amount equal to
16	65 percent of the total amount expended during such
17	quarter for education and training under the program
18	established pursuant to section 416; and".
19	(2) Section 403(a)(3) of such Act is amended—
20	(A) by striking out "and" after the comma at the
21	end of subparagraph (B);
22	(B) by redesignating subparagraph (C) as sub-
23	paragraph (D); and
24	(C) by inserting after subparagraph (B) the fol-
25	lowing new subparagraph:

1	"(C) one-half of so much of such expendi-
2	tures as are incurred in connection with the ad-
3	ministration of the education, training, and work
4	program under section 416, and".
5	(b) Demonstration Authority: Projects To En-
6	COURAGE INNOVATIVE EDUCATION AND TRAINING PRO-
7	GRAMS FOR CHILDREN, TO TEST THE EFFECT OF EARLY
8	CHILDHOOD DEVELOPMENT PROGRAMS, AND TO TEST
9	THE ELIMINATION OF THE 100-HOUR RULE UNDER
10	THE AFDC-UP PROGRAM.—Section 1115 of such Act is
11	amended—
12	(1) by inserting "(1)" before "In the case of" in
13	subsection (a);
14	(2) by striking out "(1) the Secretary" and "(2)
15	costs" in subsection (a) and inserting in lieu thereof
16	"(A) the Secretary" and "(B) costs", respectively;
17	(3) by striking out subsection (b);
18	(4) by redesignating subsection (c) as paragraph
19	(2) of subsection (a), and in such subsection as so re-
20	designated by striking out "subsection (a)", "(1)",
21	"(2)", and "(3)" and inserting in lieu thereof "para-
22	graph (1)", "(A)", "(B)", and "(C)", respectively; and
23	(5) by adding at the end thereof the following new
24	subsection:

"(b)(1) In order to encourage States to develop innova-1 2 tive education and training programs for children receiving aid under State plans approved under section 402, any State 3 may establish and conduct one or more demonstration 4 projects, targeted to such children, designed to test financial incentives and interdisciplinary approaches to reducing 6 7 school dropouts, encouraging skill development, and avoiding welfare dependence; and the Secretary may make grants to 8 9 States to assist in financing such projects. Demonstration projects under this paragraph shall meet such conditions and 10 requirements as the Secretary shall prescribe, and no such 11 project shall be conducted for a period of less than one year or 12 13 more than 5 years. "(2)(A) In order to test the effect of in-home early child-14 hood development programs and pre-school center-based de-15 velopment programs (emphasizing the use of volunteers and 16 including academic credit for student volunteers) on families 17 receiving aid under State plans approved under section 402 18 and participating in the education, training, and work pro-19 20 gram under section 416, up to 10 States may undertake and carry out demonstration projects utilizing such development 21 22 programs to enhance the cognitive skills and linguistic ability 23 of children under the age of 5, to improve the communications skills of such children, and to develop their ability to read, write, and speak the English language effectively. Demon-

- 1 stration projects under this paragraph shall meet such condi-
- 2 tions and requirements as the Secretary shall prescribe, and
- 3 no such project shall be conducted for a period of more than 3
- 4 years.
- 5 "(B) The Secretary shall consider all applications re-
- 6 ceived from States desiring to conduct demonstration projects
- 7 under this paragraph, shall approve up to 10 applications
- 8 involving projects which appear likely to contribute signifi-
- 9 cantly to the achievement of the purpose of this paragraph,
- 10 and shall make grants to the States whose applications are
- 11 approved to assist them in carrying out such projects.
- 12 "(C) The Secretary shall submit to the Congress with
- 13 respect to each project undertaken by a State under this
- 14 paragraph, after such project has been carried out for one
- 15 year and again when such project is completed, a detailed
- 16 evaluation of the project and of its contribution to the achieve-
- 17 ment of the purpose of this paragraph.
- 18 "(3)(A) In order to permit States to test whether (and
- 19 the extent to which) eliminating the 100-hour rule under sec-
- 20 tion 407, and requiring parents under that section to accept
- 21 any reasonable job offers while preserving the eligibility of
- 22 their families for aid under the applicable State plan ap-
- 23 proved under section 402, would effectively encourage such
- 24 parents to enter the permanent work force and thereby sig-
- 25 nificantly reduce program costs, up to 5 States and localities

- 1 may undertake and carry out demonstration projects under
- 2 which—
- 3 "(i) each parent receiving aid pursuant to section
- 4 407 is required to accept any reasonable full- or part-
- 5 time job which is offered to him or her, without regard
- 6 to the amount of the parent's resulting earnings as
- 7 compared to the level of the family's aid under the
- 8 applicable State plan, and
- 9 "(ii) the family's eligibility under the plan is pre-
- served notwithstanding the parent's resulting earnings,
- so long as such earnings (after the application of sec-
- 12 tion 402(a)(8)) do not exceed the applicable State
- 13 standard of need, without regard to the 100-hour rule
- or any other durational standard that might be applied
- in defining unemployment for purposes of determining
- such eligibility.
- 17 "(B) The Secretary shall consider all applications re-
- 18 ceived from States desiring to conduct demonstration projects
- 19 under this paragraph, shall approve up to 5 applications in-
- 20 volving projects which appear likely to contribute significant-
- 21 ly to the achievement of the purpose of this paragraph, and
- 22 shall make grants to the States whose applications are
- 23 approved to assist them in carrying out such projects.
- 24 "(C) Each demonstration project approved under this
- 25 paragraph shall provide for the payment of aid under the

1	applicable State plan, as though section 407 had been modi-
2	fied to reflect the provisions of clauses (i) and (ii) of subpara-
3	graph (A) but shall otherwise be carried out in accordance
4	with all of the requirements and conditions of section 407
5	(and any related requirements and conditions under part A
6	of title IV); and each such project shall meet such other re-
7	quirements and conditions as the Secretary shall prescribe.
8	"(4)(A) Any demonstration project undertaken pursu-
9	ant to this subsection—
10	"(i) must be designed to improve the financial
11	well-being of families with children or otherwise im-
12	prove the operation of the program or programs in-
13	volved; and
14	"(ii) may not permit modifications in any pro-
15	gram which would have the effect of disadvantaging
16	children in need.
17	"(B) There are authorized to be appropriated such sums
18	as may be necessary to enable the Secretary to make grants
19	with respect to the demonstration projects which are provided
20	for under any of the preceding paragraphs of this subsection
21	(and for which an authorization in specific dollar amounts is
22	not included in the paragraph involved).".
23	SEC. 103. TECHNICAL AND CONFORMING AMENDMENTS.
24	(a) IN PART A OF TITLE IV.—(1) Section

25 402(a)(8)(A)(iv) of the Social Security Act is amended by

- 1 striking out "(but excluding" and all that follows and insert-
- 2 ing in lieu thereof a semicolon.
- 3 (2) Section 402(a)(9)(A) of such Act is amended by
- 4 striking out "B, C, or D" and inserting in lieu thereof "B
- 5 or D".
- 6 (3) Section 402(a)(35) of such Act is repealed.
- 7 (4) Section 403(a)(3) of such Act is amended—
- 8 (A) by striking out all of subparagraph (D) (as
- 9 redesignated by section 102(a)(2) of this Act) which
- 10 follows "such expenditures" and inserting in lieu
- 11 thereof a comma; and
- (B) by striking out all that follows "section
- 13 2002(a) of this Act" in the matter following such sub-
- 14 paragraph and inserting in lieu thereof "other than
- 15 services furnished under section 416 or under section
- 16 402(g); and".
- 17 (5) Section 403(c) of such Act is repealed.
- 18 (6) Section 403(d) of such Act is repealed.
- 19 (7) Section 407(b)(2)(A) of such Act is amended by
- 20 striking out "will be certified" and all that follows down
- 21 through "within 30 days" and inserting in lieu thereof "will
- 22 participate or apply for participation in the national educa-
- 23 tion, training, and work program under section 416 within
- 24 30 days".

- 1 (8) Section 407(b)(2)(C)(i) of such Act is amended by
- 2 striking out ", unless exempt" and all that follows down
- 3 through "is not registered" and inserting in lieu thereof "is
- 4 not currently participating in the national education, train-
- 5 ing, and work program under section 416, unless such parent
- 6 is exempt under section 416(c)(4), or, if such parent is
- 7 exempt under such section 416(c)(4) and has not volunteered
- 8 for such participation as described in section 416(c)(2), is not
- 9 registered".
- 10 (9) Section 407(c) of such Act is amended by striking
- 11 out "to certify such parent" and all that follows and inserting
- 12 in lieu thereof "to participate in the national education,
- 13 training, and work program under section 416.".
- 14 (10) Section 407(d)(1) of such Act is amended by strik-
- 15 ing out "under section 409" and all that follows and insert-
- 16 ing in lieu thereof "under section 416(j);".
- 17 (11) Section 407(e) of such Act is repealed.
- 18 (12) Section 409 of such Act is repealed.
- 19 (13) Section 414 of such Act is repealed.
- 20 (b) IN OTHER PROVISIONS.—(1) Section
- 21 471(a)(8)(A) of such Act is amended by striking out "A, B,
- 22 C, or D" and inserting in lieu thereof "A, B, or D".
- 23 (2) Section 1108(b) of such Act is amended by striking
- 24 out "section 402(a)(19)" and inserting in lieu thereof "sec-
- 25 tion 416".

1	(3) Section 1902(a)(10)(A)(i)(I) of such Act is amend-
2	ed by striking out "section 414(g)" and inserting in lieu
3	thereof "section 416(i)(6)".
4	SEC. 104. EFFECTIVE DATE.
5	The amendments made by this title shall become effec-
6	tive October 1, 1989; except that—
7	(1) if any State theretofore makes the changes in
8	its State plan approved under section 402 of the Social
9	Security Act which are required in order to carry out
10	such amendments, and formally notifies the Secretary
11	of Health and Human Services of its desire to become
12	subject to such amendments as of the first day of any
13	calendar quarter beginning on or after the date on
14	which the proposed regulations of the Secretary of
15	Health and Human Services are published under sec-
16	tion 416(m) of such Act and before October 1, 1989,
17	such amendments shall become effective with respect to
18	that State as of such first day;
19	(2) subsections (m), (n), (o), and (p) of section
20	416 of the Social Security Act (as added by section
21	101(b) of this Act) shall be effective on the date of the
22	enactment of this Act; and
23	(3) section 1115(b)(3) of the Social Security Act
24	(as added by section 102(b) of this Act) shall become
25	effective October 1, 1987.

1	TITLE II—DAY CARE, TRANSPORTA-
2	TION, AND OTHER WORK-
3	RELATED EXPENSES
4	SEC. 201. PAYMENT OF EXPENSES BY STATES.
5	(a) In General.—(1) Section 402 of the Social Secu-
6	rity Act is amended by adding at the end thereof the follow-
7	ing new subsection:
8	"(g)(1)(A) Each State shall, for each family, either—
9	"(i) provide day care for each dependent child,
10	and incapacitated individual living in the same home
11	as a dependent child, receiving family support supple-
12	ments under the State plan and requiring such care, or
13	"(ii) reimburse the caretaker relative in the
14	family (in advance whenever possible) for the costs of
15	such care incurred in any month,
16	if and to the extent that such care (or reimbursement for the
17	costs thereof) is determined by the State agency to be (I)
18	directly related to an individual's participation in work, edu-
19	cation, or training (including participation as a mandatory
20	participant or volunteer in the program under section 416,
21	and including participation in other work, education, or
22	training by individuals who are not participating in such
23	program by reason of exemptions granted under any of the
24	subparagraphs in section 416(c)(4)), (II) reasonably neces-
25	sary for such participation, and (III) cost-effective. Amounts
26	expended under the preceding provisions of this subsection

- 1 (in providing day care directly, or in making reimbursement
- 2 for the costs of such care), to the extent that such amounts do
- 3 not exceed \$175 per month for any child age 2 or over or
- 4 \$200 per month for any infant under age 2, shall be consid-
- 5 ered, for purposes of section 403(a)(1) and (2), to be amounts
- 6 expended as aid in the form of family support supplements
- 7 under the State plan (and Federal contributions may be
- 8 made under section 403(a) with respect to amounts so
- 9 expended only to that extent).
- 10 "(B) No amount shall be expended under subparagraph
- 11 (A) for any child care services involving more than 2 chil-
- 12 dren at the same time unless such services meet applicable
- 13 standards of State and local law, and in any event unless
- 14 such services meet standards, established by the State, which
- 15 at a minimum ensure basic health and safety protections.
- 16 "(C) Reimbursement for the costs of day care under
- 17 subparagraph (A)(ii) may be accomplished through contracts
- 18 or certificates, or through the disregarding of such costs from
- 19 the earned income of the family (within the applicable dollar
- 20 limitations set forth in subparagraph (A)) as though such
- 21 disregarding were specifically provided for in section
- 22 402(a)(8) immediately after the disregards provided for in
- 23 clauses (ii) and (iii) thereof (and were applied to both appli-
- 24 cants and recipients but only with respect to earned income
- 25 not otherwise disregarded under the preceding provisions of
- 26 that section). No change made by a State in its method of

- 1 reimbursing day care costs may have the effect of disadvan-
- 2 taging individuals or families receiving aid under the State
- 3 plan on the date of the enactment of this subsection, by reduc-
- 4 ing their income or otherwise.
- 5 "(D) For purposes of the first sentence of subparagraph
- 6 (A), day care shall be considered 'cost-effective' only if it is
- 7 furnished within the applicable dollar limitations set forth in
- 8 the second sentence of such subparagraph; but nothing in this
- 9 subsection shall be construed as preventing any State from
- 10 making reimbursement from its own funds (without any Fed-
- 11 eral contribution under section 403(a)) for day care which is
- 12 not furnished within such limitations.
- 13 "(2)(A) In the case of an individual participating in the
- 14 program of education, training, and work under section 416
- 15 (including participation in the form of job search under sub-
- 16 section (k) thereof), the State (in addition to providing day
- 17 care or reimbursing the costs thereof as provided in para-
- 18 graph (1)) shall reimburse the participant (in advance when-
- 19 ever possible) for transportation and other work-related costs
- 20 incurred in any month, in an amount (subject to subpara-
- 21 graph (B)) not exceeding the dollar amount then in effect (for
- 22 purposes of disregarding earned income) under section
- 23 402(a)(8)(A)(ii).
- 24 "(B) In the case of a participant who must travel 100
- 25 miles or more to reach his or her education or training site

- 1 under the program, the reimbursement for transportation and
- 2 other work-related costs under subparagraph (A) may be in
- 3 an amount up to twice the dollar amount referred to in that
- 4 subparagraph.
- 5 "(3) The Federal contribution with respect to day care,
- 6 transportation, and other work-related costs incurred by a
- 7 State under this subsection shall be determined under section
- 8 403(a) (1) or (2) as though such costs had been incurred in
- 9 paying aid in the form of family support supplements, rather
- 10 than under section 403(a) (3) or (4).
- 11 "(4) The value of any day care provided (or any
- 12 amount received as reimbursement for day care costs
- 13 incurred) under paragraph (1)—
- 14 "(A) shall not be treated as income of any person
- 15 for purposes of any other Federal or federally-support-
- 16 ed program which bases eligibility for or the amount of
- benefits upon need, and
- 18 "(B) may not be claimed as an employment-relat-
- 19 ed expense for purposes of the credit under section 21
- of the Internal Revenue Code of 1986.".
- 21 (b) Continuation After Eligibility for Aid
- 22 Ceases.—(1) Subparagraph (A) of section 402(g)(1) of
- 23 such Act (as added by subsection (a) of this section) is
- 24 amended by inserting after the first sentence the following
- 25 new sentence: "The caretaker relative of any dependent child

- 1 or incapacitated individual whose family ceases to be eligible
- 2 for family support supplements under the State plan as of the
- 3 close of any month (if at that time the family has earnings)
- 4 shall continue to be entitled to reimbursement for the costs of
- 5 any day care (subject to the applicable dollar limitations
- 6 specified in the succeeding sentence) which is determined by
- 7 the State agency to be reasonably necessary for his or her
- 8 employment, for a period of 6 months after the close of such
- 9 month, under a sliding scale formula established by the State
- 10 which shall be based on the family's ability to pay (and
- 11 under which such applicable dollar limitations are appropri-
- 12 ately reduced to reflect such ability).".
- 13 (2) Subparagraph (d) of section 402(g)(1) of such Act
- 14 (as so added) is amended by striking out "second" and
- 15 inserting in lieu thereof "third".
- 16 (c) Demonstration Authority: Projects To En-
- 17 COURAGE STATES TO EMPLOY AFDC MOTHERS AS PAID
- 18 Day Care Providers, and To Test the Effect of A
- 19 Larger Exclusion of Automobiles From Re-
- 20 Sources.—Section 1115(b) of such Act (as added by sec-
- 21 tion 102(b) of this Act) is amended by redesignating para-
- 22 graph (4) as paragraph (6), and by inserting after paragraph
- 23 (3) the following new paragraphs:
- 24 "(4)(A) In order to encourage States to employ or ar-
- 25 range for the employment of parents (of dependent children
- 26 receiving aid under State plans approved under section

- 1 402(a)) as providers of day care for other children receiving
- 2 such aid, including any training which may be necessary to
- 3 prepare the parents for such employment, up to 5 States may
- 4 undertake and carry out demonstration projects designed to
- 5 test whether such employment will effectively facilitate the
- 6 conduct of the education, training, and work program under
- 7 section 416 by making additional day care services available
- 8 to meet the requirements of section 402(g)(1) while affording
- 9 significant numbers of families receiving such aid a realistic
- 10 opportunity to avoid welfare dependence.
- 11 "(B) The Secretary shall consider all applications re-
- 12 ceived from States desiring to conduct demonstration projects
- 13 under this paragraph, shall approve up to 5 applications in-
- 14 volving projects which appear likely to contribute significant-
- 15 ly to the achievement of the purpose of this paragraph, and
- 16 shall make grants to those States whose applications are ap-
- 17 proved to assist them in carrying out such projects. Each
- 18 project under this paragraph shall meet such conditions and
- 19 requirements as the Secretary shall prescribe.
- 20 "(5)(A) In order to test the effect of increasing the maxi-
- 21 mum excludable value of automobiles under State plans ap-
- 22 proved under section 402, up to 5 States may undertake and
- 23 carry out demonstration projects under which the resources of
- 24 any individual are determined as though the amount pre-
- 25 scribed by the Secretary under section 402(a)(7)(B) with re-
- 26 spect to such individual's excludable ownership interest in an

- 1 automobile were the same as the amount that would be ex-
- 2 cluded or disregarded in similar circumstances under the
- 3 Food Stamp Act of 1977 (and such section 402(a)(7)(B)
- 4 shall be deemed to have been modified accordingly for pur-
- 5 poses of any such project). Demonstration projects under this
- 6 paragraph shall meet such conditions and requirements as
- 7 the Secretary shall prescribe, and no such project shall be
- 8 conducted for a period of more than 5 years.
- 9 "(B) The Secretary shall consider all applications re-
- 10 ceived from States desiring to conduct demonstration projects
- 11 under this paragraph, shall approve up to 5 applications in-
- 12 volving projects which appear likely to contribute significant-
- 13 ly to the achievement of the purpose of this paragraph, and
- 14 shall make grants to the States whose applications are ap-
- 15 proved to assist them in carrying out such projects. Both
- 16 urban and rural States must be included among the States
- 17 whose applications are approved.".
- 18 SEC. 202. DEVELOPMENT OF NEW CHILD CARE RESOURCES.
- 19 Each State agency administering the education, train-
- 20 ing, and work program under section 416 of the Social Secu-
- 21 rity Act shall regularly assess the availability and reliability
- 22 of the child care services which are available to participants
- 23 in such program, and shall take such action as may be neces-
- 24 sary or appropriate—

1	(1) to develop new child care resources as the need
2	may indicate; and
3	(2) to ensure the coordination of child care provid-
4	ed under section 402(g)(1) of the Social Security Act
5	with other child care programs, including child devel-
6	opment programs.
7	The actions required under the preceding sentence shall be
8	taken by the State agency in cooperation with the agency of
9	the State having jurisdiction over the provision of child care
10	services, and shall reflect and take full account of the infor-
11	mation set forth in the reports submitted by the State under
12	section 2006(c) of the Social Security Act (as added by sec-
13	tion 803 of this Act).
14	SEC. 203. EFFECTIVE DATE.
15	The amendments made by this title shall become effec-
16	tive October 1, 1987; except that—
17	(1) if the legislature of any particular State is not
18	in regular session on the date of the enactment of this
19	Act, and State legislation is required to provide the
20	funds needed to carry out the amendments made by
21	this title (or otherwise to implement such amendments)
22	in that State, such amendments shall become effective
23	with respect to that State on the first day of the first
24	fiscal year which begins after the legislature has subse-

quently convened for a regular session during which a

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1	budget is (or is scheduled to be) adopted by the State;
2	and
3	(2) section $402(g)(2)$ of the Social Security Act
4	(as added by section 201(a) of this Act) shall become
5	effective on the date on which the amendment made by
6	section 101(b) of this Act becomes effective.
7	TITLE III—REAL WORK INCENTIVES
8	SEC. 301. CHANGES IN EARNED INCOME DISREGARDS.
9	(a) In General.—Section 402(a)(8) of the Social Se-
10	curity Act (as amended by section 103(a)(1) of this Act) is
11	further amended to read as follows:
12	"(8)(A) provide (subject to subsection (g)(1)(C))
13	that, with respect to any month, in making the deter-
14	mination under paragraph (7), the State agency—
15	"(i) shall disregard all of the earned income
16	of each dependent child receiving family support
17	supplements who is (as determined by the State
18	in accordance with standards prescribed by the
19	Secretary) a full-time student or a part-time stu-
20	dent who is not a full-time employee attending a
21	school, college, or university, or a course of voca-
22	tional or technical training designed to prepare
23	him or her for gainful employment;
24	"(ii) shall disregard from the earned income
25	of any child or relative applying for or receiving

family support supplements, or of any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, the first \$100 of the total of such earned income for such month;

"(iii) shall disregard from the earned income of any child or relative receiving family support supplements, or of any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, an amount equal to 25 percent of the total of such earned income not disregarded under any other clause of this subparagraph;

"(iv) shall disregard the first \$50 of any child support payments received in such month with respect to the dependent child or children in any family applying for or receiving family support supplements (including support payments collected and paid to the family under section 457(b));

"(v) may disregard the income of any dependent child or minor parent applying for or receiving family support supplements which is derived from a program carried out under the Job Training Partnership Act, but only in such

1	amounts and for such period of time (not to
2	exceed 6 months with respect to earned income) as
3	the Secretary may provide in regulations;
4	"(vi) may disregard all or any part of the
5	earned income of a dependent child who is a full-
6	time student and who is applying for family sup-
7	port supplements, but only if the earned income of
8	such child is excluded for such month in deter-
9	mining the family's total income under paragraph
10	(18); and
11	"(vii) shall disregard any refund of Federal
12	income taxes made to a family receiving family
13	support supplements by reason of section 32 of the
14	Internal Revenue Code of 1986 (relating to
15	earned income credit) and any payment made to
16	such a family by an employer under section 3507
17	of such Act (relating to advance payment of
18	earned income credit); and
19	"(B) provide that (with respect to any month) the
20	State agency shall not disregard, under clause (ii) or
21	(iii) of subparagraph (A), any earned income of any
22	one of the persons specified in subparagraph (A)(ii) if
23	such person—
24	"(i) terminated his or her employment or re-
25	duced his or her earned income without good

1	C	cause within such period (of not less than 30
2	a	lays) preceding such month as may be prescribed
3	l	by the Secretary;
4		"(ii) refused without good cause, within such
5	p	period preceding such month as may be prescribed
6	ŀ	by the Secretary, to accept employment in which
7	ħ	ne or she is able to engage which is offered
8	t	hrough the public employment offices of the
9	S	State, or is otherwise offered by an employer if
10	t	he offer of such employer is determined by the
11	S	State or local agency administering the State
12	p	plan, after consulting with the employer, to be a
13	ŀ	oona fide offer of employment; or
14		"(iii) failed without good cause to make a
15	t	imely report (as prescribed by the State plan
16	p	oursuant to paragraph (14)) to the State agency
17	0	f earned income received in such month;".
18	(b) I1	NCREASES IN AMOUNTS TO BE DISREGARD-
19	ED.—(1) S	Section 402 of such Act (as amended by the preced-
20	ing provisi	ons of this Act) is further amended by adding at
21	the end the	reof the following new subsection:
22	"(h)(1	Any State may at its option increase the dollar
23	amount un	der clause (ii) or (iv) of subsection (a)(8)(A) or the
24	percentage	figure under clause (iii) of such subsection (or

increase both of such dollar amounts, or either or both of such

- 1 dollar amounts as well as such percentage figure), effective on
- 2 the first day of any calendar quarter beginning on or after
- 3 the effective date of this subsection, so long as such increase
- 4 (or the combination of such increases) does not have the effect
- 5 of permitting a family to be eligible for aid under the State
- 6 plan for any month in violation of subsection (a)(18).
- 7 "(2) Whenever benefit amounts under title II are in-
- 8 creased by any percentage effective with any month as a
- 9 result of a determination made under section 215(i), the
- 10 dollar amount under subsection (a)(8)(A)(ii), as specified
- 11 therein or as previously increased under paragraph (1) of
- 12 this subsection or this paragraph, shall be increased by the
- 13 same percentage (and rounded, when not a multiple of \$1, to
- 14 the next lower such multiple), effective on the first day of the
- 15 following month; but no increase under this paragraph shall
- 16 be effective to the extent that it would permit a family to be
- 17 eligible for aid under the State plan for any month in viola-
- 18 tion of subsection (a)(18).".
- 19 (2) Section 457(b)(1) of such Act is amended by insert-
- 20 ing after "monthly support payments" the following: "(or
- 21 such larger portion of the amounts so collected as the State
- 22 may have established, for purposes of section
- 23 402(a)(8)(A)(iv), under section 402(h)(1))".
- 24 (c) Conforming Amendment.—Section 402(d) of
- 25 such Act is repealed.

1	SEC.	302.	EFFECTIVE	DATE.

2	The amendments made by section 301 shall be effective
3	on and after October 1, 1988; except that if the legislature of
4	any particular State is not in regular session on the date of
5	the enactment of this Act, and State legislation is required to
6	provide the funds needed to carry out the amendments made
7	by section 301 (or otherwise to implement such amendments)
8	in that State, such amendments shall become effective with
9	respect to that State on the first day of the first fiscal year
10	which begins after the legislature has subsequently convened
11	for a regular session during which a budget is (or is sched-

13 TITLE IV—TRANSITIONAL SERV-14 ICES FOR FAMILIES

15 SEC. 401. MEDICAID ELIGIBILITY.

uled to be) adopted by the State.

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Section 402(a) of the Social Security Act (as amended by the preceding provisions of this Act) is further amended by striking out paragraph (37), and by inserting after paragraph (36) the following new paragraph:

"(37) provide that if any family ceases to receive family support supplements under the State plan as of the close of any month (and at that time has earnings), such family shall be treated for purposes of title XIX as continuing to receive such supplements for a period of 6 months after the close of such month; except that (A) this paragraph shall not apply if the family's eligi-

1	puity for such supplements was terminated because of
2	fraud or the imposition of a sanction, (B) if at any
3	time during such 6-month period—
4	"(i) the family ceases to include a child who
5	is (or would if needy be) a dependent child, or
6	"(ii) any member of the family terminates
7	his or her employment or reduces his or her
8	earned income without good cause or refuses with-
9	out good cause to accept employment, or fails to
10	cooperate with the State in establishing paternity
11	or obtaining support or other payments as
12	required by paragraph (26)(B),
13	such period shall automatically end (as of the close of
14	the last month in which the family included such a
15	child or at the close of the month in which such termi-
16	nation, refusal, or failure occurred), and (C) such 6-
17	month period shall include, and not be in addition to,
18	any period during which the family remains eligible
19	for assistance under such title XIX (after becoming in-
20	eligible for family support supplements) under section
21	406(h) or 1902(e);".
22	SEC. 402. EFFECTIVE DATE.
23	The amendment made by section 401 shall apply with
24	respect to families that cease to be eligible for family support
25	supplements on or after October 1, 1988; except that if the
26	legislature of any particular State is not in regular session

- 1 on the date of the enactment of this Act, and State legislation
- 2 is required to provide the funds needed to carry out the
- 3 amendment made by section 401 (or otherwise to implement
- 4 such amendment) in that State, such amendment shall apply
- 5 in that State only with respect to families that cease to be so
- 6 eligible on or after the first day of the first fiscal year which
- 7 begins after the legislature has subsequently convened for a
- 8 regular session during which a budget is (or is scheduled to
- 9 be) adopted by the State.

10 TITLE V—CHILD SUPPORT 11 ENFORCEMENT AMENDMENTS

- 12 SEC. 501. STATE GUIDELINES FOR CHILD SUPPORT AWARD
- 13 AMOUNTS.
- 14 (a) Automatic Updating of Guidelines.—Sec-
- 15 tion 467(a) of the Social Security Act is amended by strik-
- 16 ing out "guidelines for child support award amounts within
- 17 the State" and all that follows and inserting in lieu thereof
- 18 the following: "guidelines for child support award amounts
- 19 within the State, along with procedures for the periodic
- 20 review and updating of all child support orders in accordance
- 21 with the procedures described in section 466(a)(10). The
- 22 quidelines may be established by law or by judicial or ad-
- 23 ministrative action, and must be reviewed and updated if
- 24 necessary at least once every three years.".

1	(b) GUIDELINES TO CREATE REBUTTABLE PRE-
2	SUMPTION.—Section 467(b) of such Act is amended—
3	(1) by inserting "(1)" after "(b)";
4	(2) by striking out ", but need not be binding
5	upon such judges or other officials"; and
6	(3) by adding at the end thereof the following new
7	paragraph:
8	"(2) There shall be a rebuttable presumption, in any
9	judicial or administrative proceeding for the award of child
10	support, that the amount of the award which would result
11	from the application of such guidelines is the correct amount
12	of child support to be awarded. A written finding or specific
13	finding on the record that the application of the guidelines
14	would be unjust or inappropriate in a particular case shall be
15	sufficient to rebut the presumption in that case.".
16	(c) State Law Requirements.—Section 466(a) of
17	such Act is amended by inserting immediately after para-
18	graph (9) the following new paragraph:
19	"(10) Procedures (including expedited procedures
20	of the type described in paragraph (2)) requiring—
21	"(A) the uniform application of the guide-
22	lines established under section 467, and
23	"(B) the updating of child support orders at
24	least once every two years on the basis of the
25	reapplication of the State's child support guide-

1 lines to the current circumstances of the parties in 2 accordance with the due process requirements of 3 the State, including at a minimum the provision to both parties of all information necessary to de-4 5 termine a new award level under the guidelines and notice and opportunity for a hearing if de-6 7 sired by either party (but nothing in this paragraph or in such procedures shall require the low-8 9 ering of any support award fixed by contract 10 between the parties).".

11 SEC. 502. ESTABLISHMENT OF PATERNITY.

- 12 (a) In General.—(1) Section 466(a)(5) of the Social
- 13 Security Act is amended by inserting "(A)" after "(5)", and
- 14 by adding at the end thereof the following new subparagraph:
- 15 "(B) Procedures under which the State is re-
- 16 quired (except in cases where the individual involved
- 17 has been found under section 402(a)(26)(B) to have
- 18 good cause for refusing to cooperate)—
- 19 "(i) to establish the paternity of every child
- within the State who is a member of a family re-
- ceiving aid under the State plan approved under
- section 402(a), as soon as possible after such
- 23 child's birth but in any event prior to such child's
- 24 eighteenth birthday;

1	"(ii) to require the child and all other par-
2	ties, in a contested paternity case, to submit to ge-
3	netic tests upon the request of any such party;
4	and
5	"(iii) to use a 95-percent probability index
6	from blood tests as a rebuttable presumption of
7	paternity.".
8	(2) In the administration of the child support enforce-
9	ment program under part D of title IV of the Social Security
10	Act, each State is encouraged to establish and implement a
11	simple civil process for voluntarily acknowledging paternity
12	and a civil procedure for establishing paternity in contested
13	cases.
14	(3) A State shall be deemed to have satisfied the re-
15	quirement of section 466(a)(5)(B)(i) of the Social Security
16	Act in the fiscal year 1989 if the number of cases in which
17	paternity is established in that State in that fiscal year is at
18	least 50 percent higher than the number of such cases in the
19	fiscal year 1986, and to have satisfied such requirement in
20	any of the 4 fiscal years following the fiscal year 1989 if the
21	number of cases in which paternity is established in that
22	State in that fiscal year is at least 15 percent higher than the
23	
20	number of such cases in the preceding fiscal year.

25 466(a)(5)(A) of the Social Security Act (as designated by

1	paragraph (1) of this subsection) apply to any child for whom
2	paternity has not yet been established and any child for
3	whom a paternity action was brought but dismissed because a
4	statute of limitations of less than 18 years was then in effect
5	in the State.
6	(b) Imputation of Support in Computing Incen-
7	TIVE PAYMENTS.—Section 458(c) of such Act is amended—
8	(1) by inserting "(1)" after "(c)";
9	(2) by redesignating paragraphs (1) and (2) as
10	subparagraphs (A) and (B), respectively; and
11	(3) by adding at the end thereof the following new
12	paragraph:
13	"(2) In determining the State's combined FSP/non-
14	FSP administrative costs for any fiscal year under this sec-
15	tion, the State shall be deemed to be collecting support in the
16	amount of \$100 a month, for a period of up to 12 months, in
17	
	every case in which paternity has been established but actual
18	every case in which paternity has been established but actual collections have not commenced or the amount being actually
18 19	
	collections have not commenced or the amount being actually
19	collections have not commenced or the amount being actually collected is less than \$100 a month.".
19 20	collections have not commenced or the amount being actually collected is less than \$100 a month.". SEC. 503. DEMONSTRATION PROJECTS TO ADDRESS VISITATION
19 20 21	collections have not commenced or the amount being actually collected is less than \$100 a month.". SEC. 503. DEMONSTRATION PROJECTS TO ADDRESS VISITATION AND CUSTODY PROBLEMS.

- 1 (7), and by inserting after paragraph (5) the following new
- 2 paragraph:
- 3 "(6)(A) In order to encourage States to identify the
- 4 problems arising in connection with visitation by absent par-
- 5 ents and to address problems involving child custody, to de-
- 6 termine the magnitude of such problems, and to test possible
- 7 solutions thereto (including but not limited to the creation of
- 8 special staffs of mediators to deal with disputes involving
- 9 court-ordered child access privileges or custody), any State
- 10 may establish and conduct one or more demonstration
- 11 projects in accordance with such terms, conditions, and re-
- 12 quirements as the Secretary shall prescribe (except that no
- 13 such project may include the withholding of child support
- 14 payments pending visitation). No such project shall be con-
- 15 ducted for a period of more than 3 years.
- 16 "(B) The Secretary may make grants to any State, in
- 17 amounts not exceeding \$5,000,000 per year, to assist in fi-
- 18 nancing the project or projects established by such State
- 19 under this paragraph.".
- 20 SEC. 504. DISREGARDING OF CHILD SUPPORT PAYMENTS FOR
- 21 FSP PURPOSES.
- 22 (a) In General.—Clause (iv) of section 402(a)(8)(A)
- 23 of the Social Security Act (as amended by section 301(a) of
- 24 this Act) is further amended by striking out "of any child
- 25 support payments received in such month" and inserting in

- 1 lieu thereof the following: "of any child support payment re-
- 2 ceived in such month which was due for that month, and the
- 3 first \$50 of any child support payment received in such
- 4 month which was due for a prior month if such payment was
- 5 timely made when due by the absent parent,".
- 6 (b) Conforming Amendment.—Section 457(b)(1) of
- 7 such Act (as amended by section 301(b)(2) of this Act) is
- 8 further amended by inserting immediately before "shall be
- 9 paid" the following: ", including a payment received in one
- 10 month which was due for a prior month if it was timely made
- 11 when due by the absent parent,".
- 12 SEC. 505. REQUIREMENT OF PROMPT STATE RESPONSE TO
- 13 REQUESTS FOR CHILD SUPPORT ASSISTANCE.
- 14 (a) In General.—Section 452 of the Social Security
- 15 Act is amended by adding at the end thereof the following
- 16 new subsection:
- 17 "(g) The standards required by subsection (a)(1) shall
- 18 establish limitations on the period of time (after the determi-
- 19 nation of a family's eligibility for aid under a State plan
- 20 approved under section 402 or the filing of an application for
- 21 services under this part) within which a State must (1) re-
- 22 spond to requests for assistance in locating absent parents or
- 23 establishing paternity, and (2) begin proceedings to establish
- 24 or enforce child support awards.".

1	(b) STATE PLAN REQUIREMENT.—Section 454 of
2	such Act is amended—
3	(1) by striking out "and" after the semicolon at
4	the end of paragraph (22);
5	(2) by striking out the period at the end of para-
6	graph (23) and inserting in lieu thereof "; and"; and
7	(3) by inserting immediately after paragraph (23)
8	the following new paragraph:
9	"(24) provide that the State will observe and
10	comply with the time limits established under section
11	452(g).".
12	SEC. 506. AUTOMATED TRACKING AND MONITORING SYSTEMS.
13	(a) In General.—Section 454 of the Social Security
14	Act (as amended by section 505(b) of this Act) is further
15	amended—
16	(1) by striking out "and" after the semicolon at
17	the end of paragraph (23);
18	(2) by striking out the period at the end of para-
19	graph (24) and inserting in lieu thereof "; and"; and
20	(3) by inserting immediately after paragraph (24)
21	the following new paragraph:
22	"(25) provide that, if it does not already have in
23	effect an automatic data processing and information re-
24	trieval system meeting all of the requirements of para-
25	graph (16), the State—

1	"(A) will submit to the Secretary by October
2	1, 1989 (for his review and approval no later
3	than October 1, 1990) an advance automatic data
4	processing planning document of the type referred
5	to in that paragraph; and
6	"(B) will have in effect by October 1, 1992,
7	an operational automatic data processing and in-
8	formation retrieval system meeting all the require-
9	ments of that paragraph.".
10	(b) Repeal of 90-Percent Federal Reimburse-
11	MENT RATE FOR AUTOMATED DATA SYSTEMS.—Effective
12	October 1, 1992, section 455(a)(1) of such Act is amended by
13	striking out "an amount—" and all that follows down
14	through "except that" and inserting in lieu thereof the follow-
15	ing: "an amount equal to the percent specified in paragraph
16	(2) of the total amounts expended by such State during such
17	quarter for the operation of the plan approved under section
18	454; except that".
19	SEC. 507. COSTS OF INTERSTATE ENFORCEMENT DEMONSTRA-
20	TIONS EXCLUDED IN COMPUTING INCENTIVE
21	PA YMENTS.
22	Section 458(d) of the Social Security Act is amended
23	by inserting immediately before the period at the end thereof
24	the following: ", and any amounts expended by the State in

1	carrying out a special project assisted under section 455(e)
2	shall be excluded".
3	SEC. 508. FEDERAL MATCHING REDUCED FOR STATES WHICH
4	ARE NOT IN COMPLIANCE WITH 1984 AMEND-
5	MENTS, AND INCREASED FOR STATES WHICH RE-
6	QUIRE IMMEDIATE INCOME WITHHOLDING UPON
7	ISSUANCE OF COURT ORDER.
8	Section 455(a)(2) of the Social Security Act is
9	amended—
10	(1) by striking out "The percent" and inserting
11	in lieu thereof "(A) Except as provided in subpara-
12	graphs (B) and (C), the percent";
13	(2) by redesignating the existing subparagraphs
14	(A), (B), and (C) as clauses (i), (ii), and (iii), respec-
15	tively; and
16	(3) by adding at the end thereof the following new
17	subparagraphs:
18	"(B) In the case of a State that is not fully in compli-
19	ance with the Child Support Enforcement Amendments of
20	1984, as determined by the Secretary, at any time after the
21	expiration of 6 months after the date of the enactment of this
22	subparagraph, the percent applicable to any quarter for pur-
23	poses of paragraph (1) is 66 percent.

1 "(C) In the	case of any	State that he	as in effect of	a law
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- 2 (whether enacted before, on, or after the date of the enactment
- 3 of this subparagraph) under which—

is in arrears, and

- 4 "(i) income withholding in accordance with sec-5 tion 466(b) is required in cases where an individual 6 residing in the State owes child support under a court 7 order issued or modified in the State on or after the 8 date of the enactment of such law (or under an order of an administrative process established by a law of the 9 State and issued or modified on or after that date), 10 11 without the necessity of any application therefor or of 12 any determination as to whether or not such individual
- "(ii) an exemption from the requirement described in clause (i) is permitted in any case where (I) one of the parties demonstrates, and the court (or administrative process) finds, that there is good cause not to require immediate income withholding, or (II) a written agreement is reached between both parties which provides for an alternative arrangement,
- 21 the percent applicable to any quarter for purposes of para-
- 22 graph (1) for any fiscal year (unless subparagraph (B) of
- 23 this paragraph applies) is 70 percent.".

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1	SEC. 509. COMMISSION ON INTERSTATE ENFORCEMENT.
2	(a) Establishment of Commission; Purpose.—
3	There is hereby established a study commission to examine
4	the problems of interstate child support enforcement and to
5	develop a new model interstate law to facilitate and
6	strengthen such enforcement.
7	(b) Membership.—The commission shall consist of 15
8	members, as follows:
9	(1) Two Members of the Senate, one selected by
10	the Majority Leader of the Senate and the other by the
11	Minority Leader of the Senate.
12	(2) Two Members of the House of Representa-
13	tives, one selected by the Speaker of the House and the
14	other by the Minority Leader of the House.
15	(3) The Secretary of Health and Human Serv-
16	ices.
17	(4) A representative of the Commissioners on
18	Uniform State Laws.
19	(5) A director of a State child support enforce-
20	ment agency.
21	(6) A State or local prosecutor.
22	(7) Seven advocates for or representatives of cus-
23	todial and non-custodial parents.
24	The members specified in paragraphs (4) through (7) shall be
25	selected jointly by the Speaker of the House and the Majority

- 1 Leader of the Senate in consultation with the Minority
- 2 Leader of the House and the Minority Leader of the Senate.
- 3 (c) Report.—No later than one year after the date of
- 4 the enactment of this Act, the commission shall submit to the
- 5 President and the Congress a full and complete report of the
- 6 results of its study, including a draft of a model State law
- 7 designed to facilitate and strengthen interstate child support
- 8 enforcement, along with such recommendations as the com-
- 9 mission may have for further legislative, administrative, and
- 10 other actions at every level.
- 11 (d) Authorization of Funds.—There are author-
- 12 ized to be appropriated such sums as may be necessary to
- 13 carry out this section.
- 14 SEC. 510. STUDY OF CHILD-RAISING COSTS.
- 15 The Secretary of Health and Human Services shall
- 16 conduct a study of the patterns of expenditures on children in
- 17 two-parent families, in single-parent families following di-
- 18 vorce, and in single-parent families in which the parents
- 19 were never married, giving particular attention to the relative
- 20 standards of living in households in which both parents and
- 21 all of the children do not live together. The Secretary shall
- 22 submit to the Congress no later than two years after the date
- 23 of the enactment of this Act a full and complete report of the
- 24 results of such study, including such recommendations as the
- 25 Secretary may have for legislative, administrative, and other

- 1 actions. There are authorized to be appropriated such sums as
- 2 may be necessary to carry out this section.
- 3 SEC. 511. DEMONSTRATION PROJECTS TO TEST VOLUNTARY
- 4 WORK, EDUCATION, AND TRAINING FOR FA-
- 5 THERS WHO ARE UNABLE TO PAY CHILD SUP-
- 6 PORT.
- 7 Section 1115(b) of the Social Security Act (as added
- 8 and amended by the preceding provisions of this Act) is fur-
- 9 ther amended by redesignating paragraph (7) as paragraph
- 10 (8), and by inserting after paragraph (6) the following new
- 11 paragraph:
- 12 "(7) In order to permit States to test methods of improv-
- 13 ing child support enforcement in cases where the noncustodial
- 14 parent is financially unable to meet his support obligations; . -
- 15 any State may undertake and carry out a demonstration
- 16 project under which absent parents who owe child support,
- 17 but whose income is insufficient to pay such support, are
- 18 encouraged by all possible means to participate in the State's
- 19 education, training, and work program established under sec-
- 20 tion 416, in an appropriate State program under the Job
- 21 Training Partnership Act, or in a similar program. Demon-
- 22 stration projects under this paragraph shall be established
- 23 and carried out in accordance with such conditions and re-
- 24 quirements as the Secretary shall prescribe; and the Secre-

1	tary shall make grants to the States conducting such projects
2	to assist in their financing.".
3	SEC. 512. COLLECTION AND REPORTING OF CHILD SUPPORT
4	ENFORCEMENT DATA.
5	(a) In General.—The Secretary of Health and
6	Human Services shall collect and maintain up-to-date statis-
7	tics, by State, with respect to each of the services specified in
8	subsection (b) (separately stated in the case of each such serv-
9	ice for families receiving aid under plans approved under
10	part A of title IV of the Social Security-Act and for families
11	not receiving such aid), on—
12.	(1) the number of cases in the child support en-
13	forcement agency caseload under part D of title IV of
14	the Social Security Act which need the service
15	involved;
16	(2) the number of such cases in which the service
17	has actually been provided; and
18:	(3) the number of cases described in paragraph
19	(2) as a percentage of the number of cases described in
20	paragraph (1).
21	(b) Services Involved.—The services referred to in
22	subsection (a) are—
23	(1) paternity determination;
24	(2) location of an absent parent for the purpose of
25	establishing a child support obligation;

1	(3) establishment of a child support obligation;
2	and
3	(4) location of an absent parent for the purpose of
4	enforcing or modifying an established child support
5	obligation.
6	SEC. 513. ASSISTANCE IN LOCATING ABSENT PARENTS.
7	(a) Provision of Information by Secretary of
8	Labor.—The Secretary of Labor shall make available to the
9	Parent Locator Service established under section 453 of the
10	Social Security Act and to any State child support enforce-
11	ment agency which requests it, for child support enforcement
12	purposes, from the cross-match system used by the Secretary
13	in determining eligibility for unemployment insurance and
14	accessed by INTERNET, all available information on the
15	name, social security account number, current address, and
16	place of employment of any specified individual.
17	(b) Reimbursement.—The Parent Locator Service
18	and each State child support enforcement agency, upon re-
19	ceiving information from the Secretary of Labor under sub-
20	section (a), shall reimburse the Secretary for the reasonable
21	cost of providing such information (and, in the case of a
22	State child support enforcement agency, such reimbursement
23	shall constitute an expenditure made for the operation of the
24	plan approved under section 454 of the Social Security Act).

1	SEC. 514. EFFECTIVE DATE.
2	Except to the extent otherwise specifically indicated, the
3	amendments made by this title shall become effective on the
4	first day of the first calendar quarter which begins one year
5	or more after the date of the enactment of this Act.
6	TITLE VI—PRO-FAMILY WELFARE
7	POLICIES
8	SEC. 601. REQUIREMENT THAT AID BE PROVIDED WITH RE-
9	SPECT TO DEPENDENT CHILDREN IN TWO-
10	PARENT FAMILIES.
11	(a) In General.—Section 402(a) of the Social Secu-
12	rity Act is amended—
13	(1) by striking out "and" after the semicolon at
14	the end of paragraph (38);
15	(2) by striking out the period at the end of para-
16	graph (39) and inserting in lieu thereof "; and"; and
17	(3) by inserting immediately after paragraph (39)
18	the following new paragraph:
19	"(40) provide that payments of family support
20	supplements will be made under the plan with respect
21	to dependent children of unemployed parents, in
22	accordance with section 407.".
23	(b) Conforming Amendments.—(1) Section 407(b)
24	of such Act is amended by striking out "(b) The provisions"
25	and all that follows down through "(1) requires" and insert-
26	ing in lieu thereof the following:

1	"(b) In providing for the payment of family support
2	supplements under the State's plan approved under section
3	402 in the case of families which include dependent children
4	within the meaning of subsection (a) of this section, as
5	required by section 402(a)(40), the State's plan—
6	"(1) shall require".
7	(2) Section 407(b)(2) of such Act is amended by strik-
8	ing out "provides—" and inserting in lieu thereof "shall pro-
9	vide—".
10	(c) Quarters of Work Based on Education or
11	Training.—(1) Section 407(d)(1) of such Act (as amended
12	by section 103(a)(10) of this Act) is further amended—
13	(A) by inserting "(A)" after "means a calendar
14	quarter"; and
15	(B) by inserting before the semicolon at the end
16	thereof the following: ", or (B) if the State plan so pro-
17	vides (but subject to the last sentence of this subsec-
18	tion), in which such individual (i) was in regular full-
19	time attendance as a student at an elementary or sec-
20	ondary school, (ii) was in regular full-time attendance
21	in a course of vocational or technical training designed
22	to fit him or her for gainful employment, or (iii) par-
23	ticipated in an education or training program estab-
24	lished under the Job Training Partnership Act".

- 1 (2) Section 407(d) of such Act is further amended by
- 2 adding at the end thereof (after and below paragraph (4)) the
- 3 following new sentence:
- 4 "No individual shall be credited during his or her lifetime
- 5 (for purposes of subsection (b)(1)(C)(i)) with more than 4
- 6 'quarters of work' based on attendance in a course or courses
- 7 of vocational or technical training as described in paragraph
- 8 (1)(B)(ii) of this subsection.".
- 9 (3) Section 407(b)(1)(C)(i) of such Act is amended by
- 10 inserting after "6 or more quarters of work (as defined in
- 11 subsection (d)(1))" the following: ", including 2 or more
- 12 quarters of work as defined in subsection (d)(1)(A), ".
- 13 (d) GAO STUDY.—The Comptroller General shall con-
- 14 duct a study of the administration by the States of the family
- 15 support program in cases involving unemployed parents
- 16 under section 407, with particular reference to the policies
- 17 and regulations governing the administration of such pro-
- 18 gram in those cases, and shall recommend to the Congress
- 19 within 6 months after the date of the enactment of this Act
- 20 such changes in current law and regulation as in his judg-
- 21 ment would make such administration less cumbersome and
- 22 less prone to error in the payment of such aid. There are
- 23 authorized to be appropriated such sums as may be necessary
- 24 to carry out this section.

1	(e) Effective Date.—The amendments made by
2	subsections (a), (b), and (c) shall become effective January 1,
3	1990.
4	SEC. 602. SPECIAL PROVISIONS FOR FAMILIES HEADED BY
5	MINOR PARENTS.
6	(a) Case Management Services; Living Ar-
7	RANGEMENTS AND PAYMENTS OF AID.—(1) Section 402(a)
8	of the Social Security Act is amended by inserting after
9	paragraph (28) the following new paragraph:
10	"(29) provide for the assignment of a case manag-
11	er to each family which is receiving family support
12	supplements under the plan and which is headed by a
13	minor parent, as described in section 417, and include
14	the other provisions and conditions required by that
15	section;".
16	(2) Part A of title IV of such Act (as amended by sec-
17	tion 101(b) of this Act) is further amended by adding at the
18	end thereof the following new section:
19	"SPECIAL PROVISIONS FOR FAMILIES HEADED BY MINOR
20	PARENTS
21	"Sec. 417. (a)(1) The State agency shall assign an
22	individual case manager to each family, receiving family
23	support supplements under the State's plan approved under
24	section 402, which is headed by a minor parent. The case
25	manager so assigned shall be responsible for assuring that the
26	family receives and effectively uses all of the aid and services

- 1 which are available to it under the plan and under related
- 2 laws and programs, and for supervising and monitoring the
- 3 provision and use of such aid and services. Each case man-
- 4 ager assigned under this subsection shall maintain a caseload
- 5 sufficiently small to assure the provision of intensive services
- 6 to and close supervision of the families to which he or she is
- 7 assigned.
- 8 "(2) If the family is participating in the program under
- 9 section 416, only one case manager shall be assigned to per-
- 10 form all case management functions for the family.
- 11 "(b)(1)(A) Each family headed by an unmarried minor
- 12 parent shall be required to live with a parent, legal guardian,
- 13 or other adult relative of such minor parent or in a foster
- 14 home, maternity home, or other supportive living arrange-
- 15 ment, except to the extent that the State agency determines
- 16 that it is impossible or inappropriate to do so (as more par-
- 17 ticularly described in subparagraph (B)). The case manager
- 18 assigned to the family may in any event require that pay-
- 19 ments of family support supplements with respect to the
- 20 family be made when appropriate to a third party in the
- 21 manner described in section 406(b)(2) (which in such a case
- 22 shall be without regard to clauses (A) through (D) thereof);
- 23 and if the minor parent is not living under adult supervision,
- 24 and an appropriate relative or other representative payee

1	cannot be found, the case manager may serve as representa-
2	tive payee.
3	"(B) The State agency may determine that it is impos-
4	sible or inappropriate for a minor parent to live with a parent
5	or legal guardian if—
6	"(i) the minor parent has no living parent or legal
7	guardian whose whereabouts are known;
8	"(ii) the health or safety of the minor parent or
9	the child would be jeopardized if they lived with the
10	parent or guardian, or the living conditions of the
11	parent or guardian are overcrowded;
12	"(iii) the parent or guardian refuses to allow the
13	minor parent and child to live in his or her home; or
14	"(iv) the minor parent has lived apart from the
15	parent or guardian for at least a year prior to the birth
16	of the child or prior to making application for supple-
17	ments under the plan.
18	"(2) In any case where the parent with whom the minor
19	parent is living is also eligible for family support supple-
20	ments (by reason of the presence in the household of one or
21	more other children of such parent), the State must provide
22	(notwithstanding paragraph (38)) that the minor parent and
23	the minor parent's child or children constitute a family unit
24	separate from that of the minor parent's parent and such
25	other children.

- 1 "(c) The State may at its option (1) require school at-
- 2 tendance by the minor parent on a part-time basis as a condi-
- 3 tion of such parent's eligibility for aid under the State plan,
- 4 or (2) require that the minor parent participate in training in
- 5 parenting and family living skills, including nutrition and
- 6 health education, as a condition of such eligibility (without
- 7 regard to the age of the child or children); but in either case
- 8 only if and to the extent that day care for the child or chil-
- 9 dren is guaranteed (and is guaranteed within the applicable
- 10 dollar limitations set forth in section 402(g) if the child or
- 11 any of the children is below 3 years of age).
- 12 "(d) Amounts expended by a State under this section in a
- 13 providing case management services with respect to families
- 14 headed by minor parents shall be considered, for purposes of
- 15 section 403(a)(3)(D), to be expenditures for the proper and
- 16 efficient administration of the State plan.
- 17 "(e) For purposes of this section, the term "minor
- 18 parent' means a parent who has not yet attained the age of
- 19 18.".
- 20 (b) Repeal of Provision Attributing Grand-
- 21 PARENT'S INCOME TO DEPENDENT CHILD IN MINOR
- 22 Parent Family.—Section 402(a) of such Act is further
- 23 amended by striking out paragraph (39).
- 24 (c) Effective Date.—The amendments made by this
- 25 section shall become effective on October 1, 1987.

1	TITLE VII—BENEFIT
2	IMPROVEMENTS
3	SEC. 701. PERIODIC RE-EVALUATIONS OF NEED AND PAYMENT
4	STANDARDS.
5	Section 402 of the Social Security Act (as amended by
6	the preceding provisions of this Act) is further amended by
7	adding at the end thereof the following new subsection:
8	"(i) Each State shall annually re-evaluate its need
9	standard and its payment standard under the family support
10	program, giving particular attention to whether or not the
11	amount which it has assumed to be necessary for shelter, in
12	setting such standards, is adequate in the light of current
13	housing costs in the State and in different regions within the
14	State. The result of each such re-evaluation shall be reported
15	by the State to the Secretary, to the Congress, and to the
16	public.".
17	SEC. 702. ENCOURAGEMENT OF STATES TO INCREASE FSF
18	BENEFIT LEVELS.
19	(a) In General.—(1) Section 403 of the Social Secu-
20	rity Act is amended by adding at the end thereof the follow-
21	ing new subsection:
22	"(k)(1)(A) In the case of any State which, effective on
23	or after October 1, 1988, increases the level of the family
24	support supplements which are payable under its approved
25	State plan, the percentage of the total amount expended
26	during any quarter as family support supplements under

- 1 such plan which would otherwise be payable to the State
- 2 (without regard to this subsection) as the Federal share of
- 3 such expenditures under subsection (a) (1) or (2) (with or
- 4 without the application of section 1118), to the extent that the
- 5 total amount so expended is attributable to such increase,
- 6 shall be equal to the percentage of the Federal share of the
- 7 expenses attributable to such increase, as it would be deter-
- 8 mined by the application of subsection (a) (1) or (2) without
- 9 regard to this subsection, increased by 25 percent (but not to
- 10 more than 90 percent).
- 11 "(B) If the increase involved becomes effective on the
- 12 first day of a quarter, subparagraph (A) shall apply with
- 13 respect to expenditures made on and after such first day. If
- 14 the increase becomes effective at any other time during a
- 15 quarter, subparagraph (A) shall apply only with respect to
- 16 expenditures made on and after the first day of the following
- 17 quarter.
- 18 "(C) The resulting net Federal share of the total
- 19 amounts expended during such quarter as family support
- 20 supplements under the State plan (including both the expend-
- 21 itures to which this paragraph applies and the expenditures
- 22 to which it does not) shall be determined as provided in para-
- 23 graph (2).
- 24 "(2)(A) Whenever a State (effective on or after October
- 25 1, 1988) increases the level of the family support supple-
- 26 ments which are payable under its approved State plan, the

1	Secretary shall determine with respect to each particular size
2	of family separately specified under the plan (assuming for
3	this purpose that no family has any other income)—
4	"(i) the level of such supplements (expressed as a
5	monthly dollar amount) as of September 30, 1988;
6	"(ii) the level of such supplements (expressed as a
7	monthly dollar amount) immediately after such
8	increase becomes effective;
9	"(iii) the dollar amount of the increase (if any) in
10	such level; and
11	"(iv) the percentage of the State's total FSP case-
12	load (that is, of the total number of families receiving
13	family support supplements under the plan) which is
14	represented by families of that particular size.
15	"(B) The Federal share of the expenditures which are
16	made as family support supplements under the State plan
17	with respect to families of any particular size during any
18	quarter commencing with the later of the quarter beginning
19	October 1, 1988, or the first quarter in which the increase is
20	effective, and which (if any) are attributable to such increase,
21	shall be a percentage equal to—
22	"(i) the sum of (I) the level determined under
23	subparagraph (A)(i) for such families multiplied by the
24	net Federal percentage determined under subsection (a)
25	(1) or (2) or section 1118 without regard to this sub-

- 1 section, and (II) the amount of the increase (if any)
- 2 determined under subparagraph (A)(iii) for such fami-
- 3 lies multiplied by the percentage of the Federal share
- 4 of the expenditures attributable to such increase as
- 5 determined under paragraph (1)(A),
- 6 divided by—
- 7 "(ii) the level determined under subparagraph
- 8 (A)(ii),
- 9 with the resulting quotient multiplied by—
- 10 "(iii) the percentage of the State's total FSP
- 11 caseload which is represented by families of that par-
- 12 ticular size as determined under subparagraph (A)(iv).
- 13 "(C) The net Federal share of the total amounts expend-
- 14 ed during the quarter involved as family support supplements
- 15 under the State's approved plan for purposes of subsection
- 16 (a) (1) or (2) shall be a percentage equal to the sum of the
- 17 percentages determined for all family sizes by the application
- 18 of clauses (i), (ii), and (iii) of subparagraph (B) to families
- 19 of each such size separately; and the percentage of such net
- 20 Federal share as so determined shall be in lieu of the percent-
- 21 age which would otherwise be applied under subsection (a)
- 22 (1) or (2) or under section 1118.".
- 23 (2)(A) Section 403(a) of such Act is amended by strik-
- 24 ing out "an amount equal to" in paragraphs (1) and (2) and

- 1 inserting in lieu thereof in each instance "an amount (subject
- 2 to subsection (k)) equal to".
- 3 (B) The first sentence of section 1118 of such Act is
- 4 amended by inserting "(subject to section 403(k))" after "be
- 5 determined".
- 6 (3) The Secretary of Health and Human Services shall
- 7 monitor and study the implementation of the amendments
- 8 made by this subsection and the effect of such amendments on
- 9 benefit levels and related aspects of the program under part A
- 10 of title IV of the Social Security Act, and shall submit to the
- 11 Congress on or before October 1, 1991, and again on or
- 12 before October 1, 1993, a detailed report on such implemen-
- 13 tation and effect.
- 14 (b) Prohibition Against Benefit Reductions.—
- 15 Section 402(a) of such Act (as amended by sections 601(a)
- 16 and 602(b) of this Act) is further amended by inserting after
- 17 paragraph (38) the following new paragraph:
- 18 "(39) provide that the State will not reduce the
- 19 level of the aid payable under the State plan to fami-
- lies of any size or composition below the level in effect
- 21 for such families on June 10, 1987 (or below a level
- 22 scheduled to become effective for such families after
- 23 that date (and on or before September 30, 1988) under
- 24 a State law enacted on or before June 10, 1987);
- 25 and".

1	SEC. 703. STUDY OF NEW NATIONAL APPROACHES TO WELFARE
2	BENEFITS FOR LOW-INCOME FAMILIES WITH
3	CHILDREN.
4	(a) In General.—The Secretary of Health and
5	Human Services shall enter into a contract or arrangement
6	with the National Academy of Sciences for the study of a
7	new national system of welfare benefits for low-income fami-
8	lies with children, giving particular attention to what an ap-
9	propriate national minimum benefit might be and how it
10	should be calculated. The study shall give consideration to
11	alternative minimum benefit proposals including proposals
12	for benefits based on a family living standard, on weighted
13	national median income, on State median income, and on the
14	poverty level, and shall take into account the probable impact
15	of a national minimum benefit on individuals and on State
16	and local governments.
17	(b) Methodology.—(1) The study under this section
18.	shall include the development of a uniform national method-
19	ology which could be used to calculate State-specific family
20	living standards and benefits based on other minimum bene-
21	fit proposals.
22	(2) The methodology so developed shall be designed to
23	identify a single uniform measure suitable for application in
24	each State, and shall—

1.	(A) take into account actual living costs in each
2	State while permitting variances in such costs as
3	between the different geographic areas of the State;
4	(B) take into account variations in actual living
5	costs in each State for families of different sizes and
6	composition; and
7	(C) specify an effective process for reassessing
8	and updating both the methodology and the resulting
9	family living standards and benefits based on other
10	minimum benefit policies at least once every four
11	years.
12	(3) The methodology so developed shall reflect the costs
13	of basic necessities including housing, furnishings, food
14	clothing, transportation, utilities, and other maintenance
15	items; and the study shall take into account variations in
16	costs for different geographic areas of the State where such
17	costs may be substantially different, and variations in costs
18	for families of different sizes and composition.
19	(c) Other Considerations; Progression to
20	Proposed Minimum Benefit Levels.—In order to
21	assess the implications of States moving to a new system of
22	welfare benefits, the study shall include an analysis of the
23	relationship between a State's fiscal capacity and other cir-
24	cumstances and constraints and the application of a ful-

family living standard or other minimum benefit policy. The

1	study shall propose a formula designed to achieve a uniform
2	progression from the level of assistance currently being pro-
3	vided for low-income families with children under the family
4	support program, the food stamp program, and the low-
5	income energy assistance program, by each State, to a level
6	based on the full family living standard or other minimum
7	benefit policy for that State. For this purpose the Secretary
8	shall define the term "low-income families with children" in
9	a manner which reflects all families that include dependent
10	children as defined for purposes of the family support pro-
11	gram.
12	(d) Report and Recommendations.—The Acade-
13	my shall report its recommendations resulting from the study
14	under this section to the Secretary no later than 24 months
15	after the date of the enactment of this Act; and the Secretary
16	shall promptly transmit such recommendations to the Con-
17	gress.
18	(e) AUTHORIZATION OF FUNDS.—There are authorized
19	to be appropriated such sums as may be necessary to carry
20	out this section.
21	TITLE VIII—MISCELLANEOUS
22	PROVISIONS
23	SEC. 801. COORDINATION OF FAMILY SUPPORT AND FOOD
24	STAMP POLICIES.
25	(a) Appointment and Membership of Commis-
26	SION.—There is hereby established a Commission on the Co-

1	ordination of Family Support and Food Stamp Policies
2	(hereinafter referred to as the "Commission"), consisting of
3	15 members as follows:
4	(1) The Secretary of Health and Human Serv-
5	ices.
6	(2) The Secretary of Agriculture.
7	(3) Two Members of the Senate, one selected by
8	the Majority Leader of the Senate and the other by the
9	Minority Leader of the Senate.
10	(4) Two Members of the House of Representa-
11	tives, one selected by the Speaker of the House and the
12	other by the Minority Leader of the House.
13	(5) Two State Governors, one selected jointly by
14	the Speaker of the House and the Majority Leader of
15	the Senate and the other selected jointly by the Minori-
16	ty Leader of the House and the Minority Leader of the
17	Senate.
18	(6) Seven other members, including State and
19	local officials responsible for administering the family
20	support and food stamp programs, representatives of
21	welfare advocacy organizations, and individuals with
22	demonstrated expertise in welfare policy, to be selected
23	jointly by the Speaker of the House and the Majority
24	Leader of the Senate in consultation with the Minority

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1	Leader of the House and the Minority Leader of the
2	Senate.
3	(b) Purpose.—It shall be the purpose of the commis-
4	sion—
5	(1) to study and consider the policies and defini-
6	tions being implemented or used (under law or admin-
7	istrative practice) in the administration of the family
8	support program under part A of title IV of the Social
9	Security Act and those being so implemented or used
10	in the administration of the food stamp program under
11	the Food Stamp Act of 1977;
12	(2) to identify the policies and definitions being
13	implemented or used under each such program which
14	are inconsistent or in conflict with those being imple-
15	mented or used under the other; and
16	(3) to make recommendations for developing
17	common policies and definitions for use under both
18	programs and thereby eliminating such inconsistency
19	or conflict to the maximum extent possible.
20	(c) Report.—The commission shall submit to the
21	President and the Congress within one year after the date of
22	the enactment of this Act a full and complete report on its
23	study under this section, including its recommendations for
24	such legislative, administrative, and other actions as may be

25 considered appropriate.

- 1 (d) Authorization of Funds.—There are author-
- 2 ized to be appropriated such sums as may be necessary to
- 3 carry out this section.
- 4 SEC. 802. UNIFORM REPORTING REQUIREMENTS.
- 5 Section 403 of the Social Security Act is amended by
- 6 inserting immediately before subsection (f) the following new
- 7 subsection:
- 8 "(e) In order to assist in obtaining the information
- 9 needed to carry out subsection (b)(1) and otherwise to per-
- 10 form his duties under this part, the Secretary shall establish
- 11 uniform reporting requirements under which each State will
- 12 be required periodically to furnish such information and data
- 13 as the Secretary may determine to be necessary to ensure
- 14 that sections 402(a)(37), 402(g), and 417 are being effective-
- 15 ly implemented, including at a minimum the average month-
- 16 ly number of families assisted under each such section, the
- 17 types of such families, the amounts expended with respect to
- 18 such families, and the length of time for which such families
- 19 are assisted. The information and data so furnished with re-
- 20 spect to families assisted under section 402(g) shall be sepa-
- 21 rately stated with respect to families who have earnings and
- 22 those who do not, and with respect to families who are receiv-
- 23 ing aid under the State plan and those who are not.".

1	SEC. 803. STATE REPORTS ON EXPENDITURE AND USE OF
2	SOCIAL SERVICES FUNDS.
3	Section 2006 of the Social Security Act is amended—
4	(1) by striking out that part of the second sen-
5	tence of subsection (a) which precedes "as the State
6	finds necessary" and inserting in lieu thereof "Reports
7	shall be prepared annually, covering the most recently
8	completed fiscal year, and shall be in such form and
9	contain such information (including but not limited to
10	the information specified in subsection (c))";
11	(2) by redesignating subsection (c) as subsection
12	(d); and
13	(3) by inserting after subsection (b) the following
14	new subsection:
15	"(c) Each report prepared and transmitted by a State
16	under subsection (a) shall set forth (with respect to the fiscal
17	year covered by the report)—
18	"(1) the number of individuals who received serv-
19	ices paid for in whole or in part with funds made
20	available under this title, showing separately the
21	number of children and the number of adults who re-
22	ceived such services, and broken down in each case to
23	reflect the types of services and circumstances involved;
24	"(2) the amount actually spent in providing each
25	such type of service, showing separately for each type

1	of service the amount spent per child recipient and the
2	amount spent per adult recipient;
3	"(3) the criteria applied in determining eligibility
4	for services (such as income eligibility guidelines, slid-
5	ing fee scales, the effect of public assistance benefits,
6	and any requirements for enrollment in school or train-
7	ing programs); and
8	"(4) the methods by which services were provided,
9	showing separately the services provided by public
10	agencies and those provided by private agencies, and
11	broken down in each case to reflect the types of services
12	and circumstances involved.
13	The Secretary shall establish uniform definitions of services
14	for use by the States in preparing the information required
15	by this subsection.".
16	SEC. 804. EVALUATION OF EMPLOYMENT, TRAINING, AND WORK
17	PROGRAMS AND RELATED PROGRAMS.
18	(a) Statement of Purpose.—It is the view of the
19	Congress that there is now a broad national consensus on the
20	importance of work and preparation for work as a means of
21	avoiding the dependency often associated with poverty. In
22	recent years, the States have undertaken impressive new job
23	search, education, training, and employment programs de-
24	signed to help welfare recipients achieve financial independ-
25	ence. Evaluations of these programs provide some reason to

- 1 think they may be successful in moving welfare recipients
- 2 into the workforce. In enacting this Act the Congress is at-
- 3 tempting to help the States pursue these programs by provid-
- 4 ing generous new resources and a great deal of flexibility in
- 5 designing and implementing the programs. In addition, the
- 6 Congress is granting the States great latitude in using funds
- 7 currently addressed to meeting the needs of low-income citi-
- 8 zens and citizens living in poverty. But the Congress also
- 9 intends to learn as much as possible from this new invest-
- 10 ment of public funds and this new enrichment of Federal-
- 11 State relations. In recent years the Congress has profited
- 12 from the knowledge produced by large-scale evaluations; it is
- 13 the intent of the Congress to pursue the strategy of careful
- 14 evaluation of social programs in order to improve and perfect
- 15 the legislation upon which these programs are based. It is the
- 16 purpose of this section to carry out this objective.
- 17 (b) ESTABLISHMENT OF INTERAGENCY PANEL.—
- 18 Within 3 months after the enactment of this Act, the Secre-
- 19 tary of Health and Human Services shall convene an Inter-
- 20 agency Panel consisting of representatives from the Office of
- 21 Management and Budget, the Congressional Budget Office,
- 22 the Congressional Research Service, and the General Ac-
- 23 counting Office. The Panel shall meet periodically to design,
- 24 implement, and monitor a series of implementation and eval-
- 25 uation studies to assess the methods and effects of the pro-

- 1 grams initiated under this Act. Insofar as possible, the Panel
- 2 shall work in a collegial fashion; but if consensus cannot be
- 3 reached among Panel members on particular decisions the
- 4 Secretary of Health and Human Services is authorized to
- 5 make all final decisions about program design, use of con-
- 6 tractors, conduct of particular studies, and any other matters
- 7 which may come before the Panel.
- 8 (c) ADVISORY BOARD.—Within 6 months after the en-
- 9 actment of this Act, the Interagency Panel shall select and
- 10 appoint an advisory board of not more than 12 members. The
- 11 advisory board shall include representatives of business,
- 12 labor, academia, children's groups, State government, local
- 13 government, welfare rights organizations, religious organiza-
- 14 tions, and community self-help organizations. The advisory
- 15 board shall meet at least twice during the first year following
- 16 its formation and at least once a year thereafter. It shall be
- 17 the function of the advisory board to provide the Interagency
- 18 Panel with advice and counsel on all aspects of its operation.
- 19 (d) Operation of Interagency Panel.—(1) The
- 20 Interagency Panel shall identify the significant questions to
- 21 be pursued in its studies, and shall also adopt an overall
- 22 design that maximizes the knowledge gained from contrasts
- 23 and comparisons between the individual studies. The Panel
- 24 shall make special efforts to coordinate with the States and to

- 1 use control groups and other methods of scientific evaluation
- 2 whenever possible.
- 3 (2) The Panel may request the Secretary of Health and
- 4 Human Services to supply any information, in the posses-
- 5 sion of or available to the Secretary, which may be of assist-
- 6 ance in carrying out the Panel's functions under this section,
- 7 and may request the Secretary to obtain any such informa-
- 8 tion from States by requiring its inclusion in any of the
- 9 State reports provided for under this Act or otherwise provid-
- 10 ed for by law. To the maximum extent possible, the Secretary
- 11 shall comply with any request received from the Panel under
- 12 this subsection.
- 13 (e) Reports.—The Interagency Panel shall report to
- 14 the Congress and the President at such times as it sees fit to
- 15 do so, but at least once each year, during the 5-year period
- 16 beginning on the date of the enactment of this Act. The first
- 17 such report shall cover the implementation of the programs
- 18 under this Act during the period prior to the submission of
- 19 that report; and the subsequent reports shall include an over-
- 20 view of each study the Panel has conducted or authorized, an
- 21 overall assessment of the State programs initiated under this
- 22 Act, and a set of specific recommendations to the Congress
- 23 and the President on needed changes in legislation, regula-
- 24 tions, and program administration at the State and Federal
- 25 levels. The final report shall cover the first four years of pro-

1	gram implementation and shall be published no later than
2	five years after the enactment of this Act.
3	(f) AUTHORIZATION OF APPROPRIATIONS.—There is
4	authorized to be appropriated the total sum of \$20,000,000 to
5	enable the Panel to perform its functions during the first five
6	years of its existence.
7	SEC. 805. DEMONSTRATION PROGRAM OF GRANTS TO PROVIDE
8	PERMANENT HOUSING FOR FAMILIES THAT
9	WOULD OTHERWISE REQUIRE EMERGENCY
0	ASSISTANCE.
11	(a) Establishment of Program.—Section 1115 of
12	the Social Security Act (as amended by the preceding provi-
13	sions of this Act) is further amended by adding at the end
14	thereof the following new subsection:
15	"(c)(1) In order to ensure that States which incur par-
16	ticularly high costs in providing emergency assistance for
17	temporary housing to homeless FSP families may have an
18	adequate opportunity to test whether such costs could be effec-
19	tively reduced by the construction or rehabilitation (with the
20	assistance of Federal grants) of permanent housing that such
21	families can afford with their regular family support supple-
22	ments, there is hereby established a demonstration program
23	under which the Secretary shall make grants to those States,
24	selected in accordance with paragraph (2), which conduct

demonstration projects in accordance with this subsection.

1	"(2)(A) Any State which desires to participate in the
2	demonstration program established by paragraph (1) may
3	submit an application therefor to the Secretary.
4	"(B) To be eligible for selection to conduct a demonstra-
5	tion project under such program, a State—
6	"(i) must be currently providing emergency assist-
7	ance (as defined in paragraph (6)(A)) in the form of
8	housing, including transitional housing;
9	"(ii) must have a particularly acute need for as-
10	sistance in dealing with the problems of homeless FSP
11	families by virtue of the large number of such families,
12	and the existence of shortages in the supply of low-
13	income housing, in the political subdivision or subdivi-
14	sions where such project would be conducted; and
15	"(iii) must submit a plan to achieve significant
16	cost savings over a 10-year period through the conduct
17	of such project with assistance under this subsection.
18	"(C) The Secretary shall select up to 3 States, from
19	among those which submit applications under subparagraph
20	(A) and are determined to be eligible under subparagraph
21	(B), to conduct demonstration projects in accordance with
22	this subsection. In the event that more than 3 States are
23	determined to be eligible, the 3 States selected shall be those
24	whose cost savings (as described in clause (iii) of subpara-
25	graph (B)) will be the greatest.

1	"(D) Grants for each demonstration project under this
2	subsection shall be awarded within 6 months after the date of
3	the appropriation of funds (pursuant to paragraph (8)) for
4	the purposes prescribed in this subsection.
5	"(3) For each year during which a State is conducting
6	a demonstration project under this subsection, the Secretary
7	shall make a grant to such State, in an amount determined
8	under paragraph (8)(B)), for the construction or rehabilita-
9	tion of permanent housing to serve individuals and families
10	who would otherwise require emergency assistance in the
11	form of temporary housing.
12	"(4) A grant may be made to a State under paragraph
13	(2) only if such State (along with or as a part of its applica-
14	tion) furnishes the Secretary with satisfactory assurances
15	that—
16	"(A) the proceeds of the grant will be used exclu-
17	sively for the construction or rehabilitation of perma-
18	nent housing to be owned by the State, a political sub-
19	division of the State, an agency or instrumentality of
20	the State or of a political subdivision of the State, or a
21	nonprofit organization;
22	"(B) all units assisted with funds from the pro-
23	ceeds of the grant will be used exclusively for rental to
24	families which—

1	"(i) are eligible, at the time of the rental, for
2	aid under the State's plan approved under section
3	402 (and a family with one or more members who
4	meet this requirement shall not be deemed ineligi-
5	ble because one or more other members receive
6	benefits under title XVI),
7	"(ii) have been unable to obtain decent hous-
8	ing at rents that can be paid with the portion of
9	such aid allocated for shelter, and
10	"(iii) if such housing were not available to
11	them, would be compelled to live in a shelter for
12	the homeless or in a hotel or motel, or other tem-
13	porary accommodations, paid for with emergency
14	assistance, or would be homeless;
15	"(C) the local jurisdiction in which such housing
16	will be located is experiencing a critical shortage of
17	housing units that are available to families eligible for
18	aid under the State plan at rents that can be paid with
19	the portion of such aid allocated for shelter; and
20	"(D) whenever units assisted with grants under
21	the project become available for occupancy, the State
22	will discontinue the use of an equivalent number of
23	units of the most costly accommodations it has been
24	using as temporary housing paid for with emergency

1	assistance, except to the extent that such accommoda-
2	tions are demonstrably needed—
3	"(i) in addition to the units so assisted, to
4	take account of increases in the caseload under
5	the emergency assistance program, or
6	"(ii) because, due to the condition or location
7	of such accommodations, or other factors, discon-
8	tinuing the use of such units would not be in the
9	best interests of needy families, provided that the
10	State discontinues the use of an equivalent
11	number of other units it has been using as tempo-
12	rary housing paid for with emergency assistance;
13	and only if the State, along with or as a part of its applica-
14	tion, includes such documentary and other materials as may
15	be necessary to establish its eligibility under paragraph
16	(2)(B) and such provisions as may be necessary to carry out
17	the requirements of subparagraph (D) of this paragraph.
18	"(5)(A) The average cost to the Federal Government per
19	unit of housing constructed or rehabilitated with a grant
20	under a project under this subsection shall be an amount no
21	greater than the calculated yearly payment of emergency as-
22	sistance that would be required to provide housing for a
23	family in a shelter for the homeless, a hotel or motel, or other
24	temporary quarters for one year, in the jurisdiction or juris-
25	dictions where the project is located.

- 1 "(B) The total of Federal payments to a State under 2 part A of title IV over the 10-year period beginning at the
- 3 time construction or rehabilitation commences under the
- 4 State's project under this subsection, with respect to the fami-
- 5 lies who will live in housing assisted by a grant under such
- 6 project (the 'total grant cost' as more particularly defined in
- 7 paragraph (6)(C)), must be lower as a result of the construc-
- 8 tion or rehabilitation of permanent housing with the grant
- 9 than it would be if the State made emergency assistance pay-
- 10 ments with respect to the families involved at the level of the
- 11 standard yearly payment (as defined in paragraph (6)(B))
- 12 during such 10-year period.
- 13 "(C) Any grant to a State under paragraph (1) shall be
- 14 made only on condition (i) that such State pay a percentage
- 15 of the total cost of the construction or rehabilitation of the
- 16 housing involved equal at least to the percentage of the cur-
- 17 rent non-Federal share of family support supplements under
- 18 the State's plan approved under section 402 (as determined
- 19 under section 403(a) or 1118), increased by 10 percentage
- 20 points, and (ii) that such State not require any of its political
- 21 subdivisions to pay a higher percentage of the total costs of
- 22 the construction or rehabilitation of such housing than it
- 23 would pay with respect to family support supplements pursu-
- 24 ant to such State plan.
- 25 "(6) For purposes of this subsection—

"(A) the term 'emergency assistance' means emergency assistance to needy families with children as described in section 403(e), and regular payments for the costs of temporary housing authorized as a special needs item under the State plan;

"(B) the term 'standard yearly payment', with respect to emergency assistance used to provide housing for a family in a shelter for the homeless, a hotel or motel, or other temporary quarters during any year in any jurisdiction, means an amount equal to the total amount of such assistance which was needed to provide all housing in temporary accommodations in that jurisdiction (with emergency assistance), in the most recently completed calendar year, at the 75th percentile in the range of all payments of emergency assistance for temporary accommodations, based on the State's actual experience with emergency assistance in such jurisdiction; and

"(C) the term 'total grant cost', with respect to housing constructed or rehabilitated under a demonstration project under this subsection, means the sum of (i) the Federal share of payments attributable to such housing during the 10-year period beginning on the date on which its construction or rehabilitation begins (including the grant provided under this subsec-

- 1 tion), (ii) the Federal share of payments of emergency
- 2 assistance for temporary housing to the families in-
- 3 volved during such construction or rehabilitation (at a
- 4 level equal to the standard yearly payment), and (iii)
- 5 the Federal share of regular payments of family sup-
- 6 port supplements under the State plan to such families
- 7 during the remainder of such 10-year period.
- 8 "(7) Whenever a grant is made to a State under this
- 9 subsection, the assurances required of the State under sub-
- 10 paragraphs (A) through (D) of paragraph (4) and any other
- 11 requirements imposed by the Secretary as a condition of such
- 12 grant shall be considered, for purposes of section 404, as re-
- 13 quirements imposed by or in the administration of the State's
- 14 plan approved under section 402.
- 15 "(8)(A) There is authorized to be appropriated for
- 16 grants under this subsection the sum of \$15,000,000 for each
- 17 of the first 5 fiscal years beginning on or after October 1,
- 18 *1987*.
- 19 "(B)(i) The amount appropriated for any fiscal year
- 20 pursuant to subparagraph (A) shall be divided among the
- 21 States conducting demonstration projects under this subsec-
- 22 tion according to their respective need for assistance of the
- 23 type involved and their respective numbers of homeless FSP
- 24 families, as determined by the Secretary.

- 1 "(ii) If any State to which a grant is made under this
- 2 subparagraph finds that it does not require the full amount of
- 3 such grant to conduct its demonstration project under this
- 4 subsection in the fiscal year involved, the unused portion of
- 5 such grant shall be reallocated to the other States conducting
- 6 such projects in amounts based on their respective need for
- 7 assistance of the type involved, as determined by the Secre-
- 8 tary.
- 9 "(iii) Amounts appropriated pursuant to subparagraph
- 10 (A), and grants made from such amounts, shall remain avail-
- 11 able until expended.
- 12 "(9) The Secretary shall prescribe and publish regula-
- 13 tions to implement the provisions of this subsection no later
- 14 than 6 months after the date of its enactment.".
- 15 (b) Effective Date.—The amendment made by sub-
- 16 section (a) shall become effective October 1, 1987.
- 17 SEC. 806. CHILD SUPPORT DEMONSTRATION PROJECT IN NEW
- 18 YORK STATE.
- 19 (a) In General.—Upon application by the State of
- 20 New York and approval by the Secretary of Health and
- 21 Human Services, the State of New York (in this section re-
- 22 ferred to as the "State") may conduct a demonstration
- 23 project in accordance with this section for the purpose of test-
- 24 ing its Child Support Supplement Program as an alternative

- 1 to the existing AFDC program and the Family Support Pro-2 gram.
- 3 (b) Nature of Project.—Under the demonstration 4 project conducted under this section—
- 5 (1) all custodial parents of dependent children 6 who are eligible for family support supplements under the State plan approved under section 402(a) of the 7 Social Security Act, and/or such types or classes of 8 9 such parents as the State may specify, may elect to receive benefits under the Child Support Supplement 10 11 Program in lieu of family support supplements under 12 such plan; and
 - with respect to families receiving benefits under the Child Support Supplement Program the same amounts as would have been payable with respect to such families under section 403 (or 1118) of the Social Security Act if they were receiving family support supplements under the State plan, calculating the Federal payments without regard to any increased earnings by such families which may arise from their participation in the Program.
- 23 (c) Waivers.—The Secretary shall (with respect to the 24 project under this section) waive compliance with any re-25 quirements contained in title IV of the Social Security Act

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- 1 which (if applied) would prevent the State from carrying out
- 2 the project or effectively achieving its purpose.
- 3 (d) Required Assurances.—As a condition of ap-
- 4 proval of the project under this section, the State must pro-
- 5 vide assurances satisfactory to the Secretary that it will con-
- 6 tinue to make assistance available to all eligible children in
- 7 the State who are in need of financial support, and will con-
- 8 tinue to operate an effective child support enforcement pro-
- 9 gram.
- 10 (e) Effective Date and Duration of Project.—
- 11 The Secretary shall approve or disapprove the application of
- 12 the State within 90 days after the date of its submission; and
- 13 if the application as initially submitted is disapproved the
- 14 Secretary and the State shall negotiate the revisions neces-
- 15 sary for its approval. The project under this section shall
- 16 commence no later than the first day of the third calendar
- 17 quarter beginning on or after the date of its approval and
- 18 shall continue for five years.
- 19 SEC. 807. DEMONSTRATION OF FAMILY INDEPENDENCE PRO-
- 20 GRAM IN WASHINGTON STATE.
- 21 (a) In General.—Upon application by the State of
- 22 Washington and approval by the Secretary of Health and
- 23 Human Services, the State of Washington (in this section
- 24 referred to as the "State") may conduct a demonstration
- 25 project in accordance with this section for the purpose of test-

1	ing whether the operation of its Family Independence Pro-
2	gram enacted in May 1987 (in this section referred to as the
3	"Program"), as an alternative to the existing AFDC pro-
4	gram and the FSP program, would more effectively break the
5	cycle of poverty and provide families with opportunities for
6	economic independence and strengthened family functioning.
7	(b) Nature of Project.—Under the demonstration
8	project conducted under this section—
9	(1) every individual eligible for family support
10	supplements under the State plan approved under sec-
11	tion 402(a) of the Social Security Act shall be eligible
12	to enroll in the Program, which shall operate simulta-
13	neously with the family support program so long as
14	there are individuals who qualify for the latter;
15	(2) cash assistance shall be furnished in a timely
16	manner to all eligible individuals under the Program
17	(and the State may not make expenditures for services
18	under the Program until it has paid all necessary cash
19	assistance), with no family receiving less in cash bene-
20	fits than it would have received under the family sup-
21	port program;
22	(3) individuals may be required to register, un-

dergo assessment, and participate in work, education,

or training under the Program, except that—

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1	(A) work or training may not be required in
2	the case of—
3	(i) a single parent of a child under 6
4	months of age, or more than one parent of
5	such a child in a two-parent family,
6	(ii) a single parent with a child of any
7	age who has received assistance for less than
8	6 months,
9	(iii) a single parent with a child under
10	3 years of age who has received assistance
11	for less than 3 years,
12	(iv) an individual under 16 years of
13	age or over 64 years of age,
14	(v) an individual who is incapacitated,
15	temporarily ill, or needed at home to care for
16	an impaired person,
17	(vi) a woman who is in the third tri-
18	mester of pregnancy, or
19	(vii) an individual who has not yet been
20	individually notified in writing of such re-
21	quirement or of the expiration of his or her
22	exempt status under this subparagraph;
23	(B) participation in work or training shall
24	in any case be voluntary during the first two
25	years of the Program, and may thereafter be made

1	mandatory only in counties where more than 50
2	percent of the enrollees can be placed in employ-
3	ment within 3 months after they are job-ready;
4	(C) in no case shall the work and training
5	aspect of the Program be mandated in any county
6	where the unemployment level is at least twice the
7	State average; and
8	(D) mandated work shall not include work
9	in any position created by a reduction in the work
10	force, a bona fide labor dispute, the decertification
11	of a bargaining unit, or a new job classification
12	which subverts the intention of the Program;
13	(4) there shall be no change in existing State law
14	which would eliminate guaranteed benefits or reduce
15	the rights of applicants or enrollees; and
16.	(5) the Program shall include due process guaran-
17	tees and procedures no less than those which are avail-
18	able to participants in the AFDC or FSP program
19	under Federal law and regulation and under State
20	law.
21	(c) Waivers.—The Secretary shall (with respect to the
22	project under this section) waive compliance with any re-
23	quirements contained in title IV of the Social Security Act
24	which (if applied) would prevent the State from carrying out
25	the project or effectively achieving its purpose.

1	(d) Funding.—(1) The Secretary shall reimburse the
2	State for its expenditures under the Program—
3	(A) at a rate equal to the Federal matching rate
4	applicable to the State under section 403(a)(1) (or
5	1118) of the Social Security Act, for cash assistance
6	and child care provided to enrollees;
7	(B) at a rate equal to the applicable Federal
8	matching rate under section 403(a)(3) of such Act, for
9	administrative expenses; and
0	(C) at the rate of 75 percent for an evaluation
1	plan approved by the Secretary.
12	The State shall be required to pay the same portion of all
13	expenditures made for cash assistance and services under the
14	Program as it would be required to pay if such expenditures
15	were made under its State plan approved under section
16	402(a) of the Social Security Act.
17	(2) As a condition of approval of the project under this
18	section, the State must provide assurances satisfactory to the
19	Secretary that the total amount of Federal reimbursement
20	over the period of the project will not exceed the anticipated
21	Federal reimbursements (over that period) under the current
22	family support program; but this paragraph shall not prevent
23	the State from claiming reimbursement for additional per-
24	sons who would qualify for aid under the family support pro-
25	gram, for costs attributable to increases in the State's pay-

- 1 ment standard, or for any other federally-matched benefits or
- 2 services.
- 3 (e) Duration of Project.—(1) The project under
- 4 this section shall begin on the date on which the first individ-
- 5 ual is enrolled in the Program, and (subject to paragraph
- 6 (2)) shall end 5 years after that date.
- 7 (2) The project may be terminated at any time, on 6
- 8 months written notice, by the State or (upon a finding that
- 9 the State has materially failed to comply with this section)
- 10 by the Secretary.
- 11 SEC. 808. STUDY OF HOUSING PROBLEMS OF FSP FAMILIES.
- 12 (a) Interagency Working Group.—The Secretary
- 13 of Health and Human Services and the Secretary of Hous-
- 14 ing and Urban Development, acting jointly, shall establish,
- 15 appoint, and convene an Interagency Working Group to
- 16 study and report on the housing problems of families under
- 17 the family support program.
- 18 (b) Purpose of Study.—It shall be the purpose of
- 19 the study conducted by the Interagency Working Group to
- 20 identify and examine the programs being implemented by the
- 21 Department of Health and Human Services and the Depart-
- 22 ment of Housing and Urban Development which could be
- 23 better coordinated so as to—
- 24 (1) stem the transiency of the welfare population;

1	(2) upgrade the public and private housing stock
2	occupied by recipients of family support supplements;
3	(3) require private housing stock for which rentals
4	are paid from family support supplements to meet min-
5	imum HUD standards; and
6	(4) facilitate coordination between the two Depart-
7	ments as well as local welfare agencies and local hous-
8	ing authorities to facilitate the achievement of these
9	objectives.
10	(c) Report.—(1) Within 6 months after the date of the
11	enactment of this Act the Interagency Working Group shall
12	submit to the Congress a full and complete report on its study
13	under this section. Such report shall include the information
14	and data required by paragraph (2) and such other informa-
15	tion, and such recommendations for legislative, administra-
16	tive, and other action, as the Interagency Working Group
17	considers appropriate.
18	(2) The report submitted under paragraph (1) shall in
19	any event include—
20	(A) the total dollar amount of family support sup-
21	plements spent on housing, by service area;
22	(B) the demographic characteristics of transient
23	recipients of family support supplements;
24	(C) an estimate of the number of transient welfare
25	families and the frequency of their transiency;

1	(D) an estimate of the number of evictions for
2	nonpayment of rent, by service area;
3	(E) an examination, by service area, of those
4	properties which are occupied by recipients of family
5	support supplements and which do not meet minimum
6	$HUD\ standards;$
7	(F) examples of models and innovative programs
8	which have successfully forged local housing and wel-
9	fare cooperation to upgrade housing stock and stem
10	welfare population transiency; and
11	(G) recommendations on ways in which local
12	housing and welfare agencies can economically provide
13	tenant unit management training.
14	SEC. 809. REQUIREMENT OF CONTINUED TREATMENT FOR DRUG
15	ADDICTION OR ALCOHOLISM AS CONDITION OF
16	ELIGIBILITY.
17	Section 402 of the Social Security Act (as amended by
18	the preceding provisions of this Act) is further amended by
19	adding at the end thereof the following new subsection:
20	"(j)(1) If—
21	"(A) any individual who is a recipient of family
22	support supplements under the State plan has been
23	medically determined to be a drug addict or an alcohol-
24	ic and is enrolled in a program for the treatment of his
25	or her drug addiction or alcoholism, and

1	"(B) the institution, facility, or other entity re-
2	sponsible for providing such treatment notifies the
3	State agency that such individual (prior to the satis-
4	factory completion of the treatment) has terminated his
5	or her enrollment or otherwise ceased to participate in
6	such program or to comply with its terms, conditions,
7	and requirements,
8	then (notwithstanding any other provision of this title) the
9	needs of such individual shall not be taken into account in
10	making the determination with respect to his or her family
11	under subsection (a)(7) until such individual is again en-
12	rolled in such a program or a medical determination is made
13	(and notification thereof communicated to the State agency)
14	that he or she is no longer a drug addict or alcoholic.
15	"(2) Each State agency shall establish such procedures
16	and take such other actions as may be necessary or appropri-
17	ate to encourage and facilitate the making (by the institu-
18	tions, facilities, and other entities involved) of the notifica-
19	tions described in paragraph (1).".
20	SEC. 810. INCLUSION OF AMERICAN SAMOA IN FSP PROGRAM.
21	(a) Inclusion in Program.—Section 1101(a)(1) of
22	the Social Security Act is amended by inserting after the
23	first sentence the following new sentence: "Such term when

24 used in part A of title IV also includes American Samoa.".

1	(b) Limitation on Payments.—Section 1108(a) of
2	such Act is amended—
3	(1) by striking out the period at the end of para-
4	graph (3)(F) and inserting in lieu thereof "; and"; and
5	(2) by inserting immediately after paragraph (3)
6	the following new paragraph:
7	"(4) for payment to American Samoa shall not
8	exceed \$1,000,000 with respect to any fiscal year.".
9	(c) Effective Date.—The amendments made by this
10	section shall become effective on October 1, 1987.
11	SEC. 811. INCREASE IN LIMITATION ON PAYMENTS TO PUERTO
12	RICO, THE VIRGIN ISLANDS, AND GUAM.
13	(a) In General.—(1) Section 1108(a)(1) of the
14	Social Security Act is amended—
15	(A) by striking out "or" after the comma at the
16	end of subparagraph (E); and
17	(B) by striking out subparagraph (F) and insert-
18	ing in lieu thereof the following new subparagraphs:
19	"(F) \$72,000,000 with respect to each of the
20	fiscal years 1979 through 1987, or
21	"(G) \$81,270,000 with respect to the fiscal
22	year 1988 and each fiscal year thereafter;".
23	(2) Section 1108(a)(2) of such Act is amended—
24	(A) by striking out "or" after the comma at the
25	end of subparagraph (E); and

1	(B) by striking out subparagraph (F) and insert-
2	ing in lieu thereof the following new subparagraphs:
3	"(F) \$2,400,000 with respect to each of the
4	fiscal years 1979 through 1987, or
5	"(G) \$2,709,000 with respect to the fiscal
6	year 1988 and each fiscal year thereafter;".
7	(3) Section 1108(a)(3) of such Act (as amended by sec-
8	tion 810 of this Act) is further amended—
9	(A) by striking out "or" after the comma at the
10	end of subparagraph (E); and
11	(B) by striking out subparagraph (F) and insert-
12	ing in lieu thereof the following new subparagraphs:
13	"(F) \$3,300,000 with respect to each of the
14	fiscal years 1979 through 1987, or
15	"(G) \$3,725,000 with respect to the fiscal
16	year 1988 and each fiscal year thereafter;".
17	(b) Effective Date.—The amendments made by this
18	section shall apply with respect to fiscal years beginning on
19	or after October 1, 1987.
20	SEC. 812. TECHNICAL AND CONFORMING AMENDMENTS RELAT-
21	ING TO REPLACEMENT OF AFDC PROGRAM BY
22	FAMILY SUPPORT PROGRAM.
23	(a) Amendments to Part A of Title IV.—(1) The
24	heading of part A of title IV of such Act is amended by
25	striking out "AID TO FAMILIES WITH DEPENDENT CHIL-

- 1 Dren" and inserting in lieu thereof "Family Support
- 2 PROGRAM".
- 3 (2) Section 406(b) of such Act is amended by striking
- 4 out "aid to families with dependent children" where it first
- 5 appears and inserting in lieu thereof "family support supple-
- 6 ments".
- 7 (3) The following provisions of part A of title IV of such
- 8 Act are each amended by striking out "aid to families with
- 9 dependent children" wherever it appears and inserting in lieu
- 10 thereof "aid in the form of family support supplements":
- 11 Paragraphs (4), (7), (10), (11), (14), (17), and (21) of sec-
- 12 tion 402(a); subsections (a), (b), and (f) of section 403; sec-
- 13 tion 405; subsections (b) (the second place it appears), (f),
- 14 (g), and (h) of section 406; and subsections (b) and (c) of
- 15 section 407.
- 16 (b) Amendments to Other Provisions of the
- 17 Social Security Act.—(1) The following provisions of
- 18 the Social Security Act are amended by striking out "aid to
- 19 families with dependent children" wherever it appears and
- 20 inserting in lieu thereof "aid in the form of family support
- 21 supplements": Section 452(a)(10); section 454(4); section
- 22 457(d)(3); section 472(h); and section 473(b).
- 23 (2) Section 454(16) of such Act is amended by striking
- 24 out "aid to families with dependent children program" and
- 25 inserting in lieu thereof "Family Support Program".

- 1 (3) Subsections (b) and (c) of section 458 of such Act
- 2 are each amended by striking out "AFDC" and "non-
- 3 AFDC" wherever those terms appear and inserting in lieu
- 4 thereof "FSP" and "non-FSP", respectively.
- 5 (c) Other References in General.—Any refer-
- 6 ence to aid to families with dependent children in any provi-
- 7 sion of law or regulation other than those provisions of law
- 8 specified in the preceding subsections of this section shall be
- 9 deemed to be a reference to family support supplements, or to
- 10 aid in the form of family support supplements, consistent
- 11 with the amendments made by the preceding provisions of
- 12 this Act.

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Union Calendar No. 184

100TH CONGRESS H R 1

[Report No. 100-159, Parts I, II, and III]

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To replace the existing AFDC program with a new Family Support Program which emphasizes work, child support, and need-based family support supplements, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives.

SEPTEMBER 15, 1987

Reported from the Committee on Energy and Commerce with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed